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Domestic Storm

Bush's New Tax Promise, and What He Must Do to Keep It

Adam Meyerson

Dr. Samuel Johnson said that second marriages represent the triumph of hope over experience. President George Bush has a fighting chance to win a second term if he can convince the American people that this time he really will keep his promise on taxes. Should the President win re-election—and should he honor his commitment to the voters—then America next year will embark on its greatest debate about the size of the federal government since the days of Lyndon Johnson.

The central question in this debate will be whether the federal government should spend one quarter of Americans' money, especially now that the Cold War is over. Every dollar spent by the federal government is a dollar that cannot be spent by families or businesses or state and local governments which are primarily responsible for education and crime prevention. And so a question has to be asked of each of the $1.5 trillion spent by Washington: Not whether it serves some worthy purpose—most federal spending does—but is that purpose important enough to justify taking that money away from families and businesses and schools and police?

Constituency for Spending Control

The President started the tax-and-spending debate correctly in his acceptance speech at the Republican convention. To begin with, he apologized to the American people for breaking his no-new-taxes pledge of 1988. The tax increase of 1990 was a political disaster for Bush and the GOP, blurring the differences between the parties on an issue where Republicans had the popular advantage, and making it harder for the President to paint Governor Clinton as the taxer-and-spender that he is. It was also a serious economic mistake that has deepened and prolonged the recession and worsened the budget deficit it was supposed to bring under control. With the annual deficit over twice as high as in 1990, the President presumably understands now that raising taxes is not the way to rein in the federal debt.

Now the President has promised to *lower* taxes, contingent on reductions in federal debt and spending. If Bush keeps his word this time, his new strategy has three enormous advantages. The emphasis on tax cuts can put him in the political driver's seat, because the American people believe they are overtaxed in comparison with the benefits they get from government. Tax cutting, particularly if complemented by judicious deregulation, would also return Bush to the Reagan economic path that led to 20 million new jobs from late 1982 to early 1990.

Perhaps the greatest advantage of the President's proposal is that it creates a political constituency for spending control. It is widely recognized that Ronald Reagan's greatest failure was his inability to keep federal spending in line with revenues, and Bush has allowed Congress to embark on the costliest federal spending spree of any presidency in modern history. One reason is that it is has been unclear to Americans how they would benefit directly from greater fiscal responsibility; there has been little countervailing pressure against lobbying for higher spending by the beneficiaries of federal programs. The Bush proposal would change this political dynamic: It would give voters a direct stake in spending cuts by making them the condition of tax relief.

Wilier Than Saddam

President Bush will need such a constituency, should he be re-elected and then seek to carry out his promise. The Battle of the Budget is winnable. Just as President Bush in his Gulf victory ended all talk of the Vietnam Syndrome, so he could smash through gridlock and provide Americans both lower spending and lower taxation. But there should be no illusions about how difficult the challenge would be. The interest groups who oppose controls on federal spending are wilier and more powerful than Saddam Hussein; to defeat them will require an even more overwhelming application of concentrated firepower than did the liberation of Kuwait. And unlike the Gulf War, no one will take orders from the Commander-in-Chief; in the Battle of the Budget, Bush will have to mobilize public opinion through persuasion and the messy job of grass-roots organizing.

This means going around Congress, and other Washington power brokers, and dealing directly with the American people. It means the President will have to

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construct and nurture alliances as carefully as he did in Desert Storm—but this time with Rotary Clubs, chambers of commerce, religious and family coalitions, and other domestic citizens' groups, rather than foreign heads of state. Some of these groups will have to be created; the largest vacuum in American political life is the absence of a nationwide grass-roots organization committed to federal spending limitation. The opportunity is there, however: The army of volunteers who were working 18 hours a day for Ross Perot shows that tens of thousands of Americans are ready to be mobilized for major change in Washington. Many, perhaps most, of them are fiscal conservatives whom the President could enlist as allies.

Conservatism's Sleeping Giant

The conservative movement more generally would be the President's most important ally in a Battle of the Budget. Conservatives are divided over some issues, but they unite in believing that Washington has no business spending one quarter of Americans' income. If Bush were to ask for conservative help in cutting taxing and spending—something he has never done—he would be astonished at how quickly and effectively conservatives would organize taxpayer groups around the country.

The President thinks with some justification that conservatives have been hypocrites on the budget; they give him hell for tax increases but rarely do any heavy lifting to cut specific spending programs. What he needs to understand is that conservatives are like teenagers. They are immature, moody, too quick to get into a fight. But they are filled with youthful energy and idealism, and when fired up by inspirational leaders, they can change the country for the better.

The message of the 1992 races so far is that conservatism is the sleeping giant in American politics. Both Clinton and Bush enjoyed major boosts in their poll ratings after they staged conventions that portrayed their parties as more conservative than they actually are. The lesson is that America is dominated by a center-right majority, but that majority is poorly organized and exercises little influence over day-to-day politics.

Kinder, Gentler, Smaller Government

Helping to organize the center-right majority would be a key strategic objective in the Battle of the Budget. It would also be important to persuade many liberals that the federal government is too big.

Liberals cherish the democratic process, with elected officials accountable to a well-informed citizenry. But how can we truly have a democracy when the federal government is so complicated that even elected officials cannot understand the issues? Congressmen in the past few years have been asked to vote on budgets that are thousands of pages long, an 800-page Clean Air Act, and a 300-page transportation bill; they cannot possibly understand what they are voting on, and neither can their constituents. Liberals lament what they consider the trivialization of politics—for instance the focus on congressional perks and House Bank overdrafts. This trivialization is the direct result of excessive government: voters can understand rubber checks by congressmen; they can't comprehend the federal budget. Smaller government would go a long way to making democracy work better.

A smaller Washington could help achieve another liberal goal—raising the reputation of government among the American people. Government would be held in higher esteem if it did a smaller number of things, and did them very well, especially the jobs like crime prevention that Americans really depend on from government. A smaller federal government would also correct one of the most disgraceful abuses in our current system: the neglect by mayors and governors of problems like the homeless mentally ill or bridge and highway repair or the cleanup of Boston Harbor, in the hopes that Uncle Sam will pick up the tab if the problem becomes big enough. State and local officials would have to be more responsible—in liberal terms—if it were less likely that federal taxpayers would bail them out.

Budgetary Potlatch

Many beneficiaries of federal programs might even accept substantial cutbacks—if they were convinced that everybody else was giving up something as well. Under the current practice of log-rolling, legislators provide reciprocal support for each other's pet subsidies and pork-barrel projects. Suppose this were replaced by *potlatching*, named after the parties among the Kwakiutl Indians of British Columbia where hosts give away lavish presents expecting to receive others in return. To relieve debts for their grandchildren, farmers might be prepared to give up many of their subsidies, as long as veterans, artists, able-bodied welfare recipients, mass transit riders, and multinational corporations gave up many of theirs. Californians might give up water subsidies if Washingtonians gave up electricity subsidies, Texans gave up the superconducting supercollider, Georgians gave up peanut subsidies, and Connecticut gave up the *Seawolf* submarine.

President Bush could play a special role here by giving much more policy content to his "points of light" rhetoric. Instead of simply giving an award every day to an individual or private group that performs some worthy service to its community, the President could help frame the budget debate by systematically identifying public services with a long history of being handled effectively by private institutions. Support for the arts, public broadcasting, certain kinds of medical research, and college scholarships are all examples where private patronage has been partly replaced by taxpayer money, and private donors could easily make up the difference if Washington withdrew its funds.

The $500-billion question is whether Social Security, Medicare, and Medicaid should be on the budget-reform table. The answer is yes, but with a scalpel, not a sledgehammer. Most elderly and poor Americans care as much about the future of their country as everyone else does, and it is patronizing to assume they will not share in some small sacrifices as long as they do not carry the heaviest burden.

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Flower Power

Rising Carbon Dioxide Is Great for Plants

Sylvan H. Wittwer

One of the best-kept secrets in the global warming debate is that the plant life of Planet Earth would benefit greatly from a higher level of carbon dioxide (CO_2) in the atmosphere.

You read that correctly. Flowers, trees, and food crops love carbon dioxide, and the more they get of it, the more they love it. Carbon dioxide is the basic raw material that plants use in photosynthesis to convert solar energy into food, fiber, and other forms of biomass. Voluminous scientific evidence shows that if CO_2 were to rise above its current ambient level of 360 parts per million, most plants would grow faster and larger because of more efficient photosynthesis and a reduction in water loss. There would also be many other benefits for plants, among them greater resistance to temperature extremes and other forms of stress, better growth at low light intensities, improved root/top ratios, less injury from air pollutants, and more nutrients in the soil as a result of more extensive nitrogen fixation.

This good news about carbon dioxide has been all but ignored in alarmist discussions about possible global climate changes. CO_2-related benefits were barely mentioned at the Earth Summit in Rio de Janeiro in June, where the rising level of carbon dioxide and other "greenhouse gases" was decried as the world's greatest environmental threat. The Rio Summit ended with the United States and over 150 other nations signing a Framework Convention on Climate Change, committing themselves to stabilizing emissions of CO_2 and other greenhouse gases at 1990 levels.

Indeed, the conventional wisdom in public policy circles is that carbon dioxide is a terrible pollutant that threatens the fate of the earth. Senator Albert Gore, the Democratic vice-presidential candidate, calls for stiff "carbon taxes" on the burning of fossil fuels, and has written in his book *Earth in the Balance* that the process of "filling the atmosphere with carbon dioxide and other pollutants...is a willful expansion of our dysfunctional civilization into vulnerable parts of the natural world."

On the Republican side, William K. Reilly, President Bush's administrator of the Environmental Protection Agency, defends the $20 billion in costs that the Clean Air Act of 1990 has imposed on the U.S. economy, in part on the grounds that it "will eliminate 56 billion pounds of pollutants annually, many of them greenhouse gases."

And yet, for over 100 years, nurserymen have been adding carbon dioxide to their greenhouses to raise the yields of vegetables, flowers, and ornamental plants. And for decades, it has been well known among botanists, biochemists, agriculturalists, and foresters that a shortage of carbon dioxide is the most common limiting factor preventing photosynthesis from proceeding more efficiently.

The Global Warming Debate

There is no question that the carbon dioxide level in the atmosphere has been rising, and that this rise is due primarily to the burning of fossil fuels and to deforestation. Measured in terms of volume, there were about 280 parts of CO_2 in every million parts of air at the beginning of the Industrial Revolution, and there are 360 parts per million (ppm) today, a 30 percent rise. The annual increase is 2 ppm, and rising. If present trends continue, the concentration of CO_2 in the atmosphere will double to about 700 ppm in the latter half of the 21st century. This increase would not be a direct threat to human life; the threshold in mine-safety regulations is 5,000 ppm of carbon dioxide. But a man-made change of this magnitude in the atmosphere requires careful efforts to understand its consequences.

A number of climatologists have used computer models to predict a rise in global temperatures of 2 to 9 degrees Fahrenheit over the next century as a result of this projected rise in CO_2 and other greenhouse gases, such as methane. The global warming hypothesis is disputed by many climate scientists. Even so, it is understandable that so many environmentalists and citizens

Sylvan H. Wittwer, *professor emeritus of horticulture at Michigan State University, directed the Michigan Agricultural Experiment Station for 20 years, and chaired the Board on Agriculture of the National Research Council. He is the author of the world's leading textbook on greenhouse vegetables, and is co-author, most recently, of* Feeding a Billion: Frontiers in Chinese Agriculture.

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would be concerned by a doubling of atmospheric carbon dioxide levels. In so changing the composition of the air, humans are inadvertently conducting a global and environmental experiment without a clear knowledge of the outcome.

While scientists disagree about the likely effects of additional carbon dioxide on global temperature, they generally agree on another important effect of a rise in the CO_2 level. A doubling of the carbon dioxide concentration in the atmosphere, as is projected, would increase plant productivity by almost one-third. Most plants would grow faster and bigger, with increases in leaf size and thickness, stem height, branching, and seed production. The number and size of fruits and flowers would also rise. Root/top ratios would increase, giving many plants better root systems for access to water and nutrients.

More Efficient Photosynthesis

There are two important reasons for this productivity boost at higher CO_2 levels. One is superior efficiency of photosynthesis. The other is a sharp reduction in water loss per unit of leaf area.

Photosynthesis converts the renewable energy of sunlight into energy that living creatures can use. In the presence of chlorophyll, plants use sunlight to convert carbon dioxide and water into carbohydrates that, directly or indirectly, supply almost all animal and human needs for food; oxygen and some water are released as by-products of this process. The principal factors affecting the rate of photosynthesis are a favorable temperature, the level of light intensity, and the availability of carbon dioxide. Most green plants respond quite favorably to concentrations of CO_2 well above current atmospheric levels.

A related benefit comes from the partial closing of pores in leaves that is associated with higher CO_2 levels. These pores, known as stomata, admit air into the leaf for photosynthesis, but they are also a major source of transpiration or moisture loss. By partially closing these pores, higher CO_2 levels greatly reduce the plants' water loss—a significant benefit in arid climates.

There are marked variations in response to CO_2 among plant species. The biggest differences are among three broad categories of plants—C_3, C_4, and Crassulacean Acid Metabolism or CAM—each with a different pathway for photosynthetic fixation of carbon dioxide.

Most green plants, including trees, algae, and most major food crops, use the C_3 pathway, so named because the first products of photosynthesis (called photosynthate) have three carbon atoms per molecule. C_3 plants respond most dramatically to higher levels of CO_2. At current atmospheric levels of CO_2, up to half of the photosynthate in C_3 plants is typically lost and returned to the air by a process called photo-respiration, which occurs simultaneously with photosynthesis in sunlight. Elevated levels of atmospheric CO_2 virtually eliminate photo-respiration in C_3 plants, making photosynthesis much more efficient. High CO_2 levels also sharply reduce dark respiration (the partial destruction of the products of photosynthesis during nighttime) among C_3 plants.

Archive Photos

Roses are red, violets are blue; they both grow better with more CO_2.

Corn, sugarcane, sorghum, millet, and some tropical grasses use the C_4 pathway, so named because the first products of photosynthesis have four carbon atoms per molecule. C_4 plants also experience a boost in photosynthetic efficiency in response to higher carbon dioxide levels, but because there is little photo-respiration in C_4 plants, the improvement is smaller than in C_3 plants. Instead, the largest benefit C_4 plants receive from higher CO_2 levels comes from reduced water loss. Loss of water through leaf pores declines by about 33 percent in C_4 plants with a doubling of the CO_2 concentration from its current atmospheric level. Since corn and other C_4 plants are frequently grown under drought conditions of high temperatures and limited soil moisture, this superior efficiency in water use may improve yields when rainfall is even lower than normal.

The lowest response to higher CO_2 levels is usually from the CAM plants, which include pineapples, agaves, and many cacti and other succulents. Like the C_4 plants, CAM plants do not undergo photo-respiration. CAM plants are also already well adapted for efficient water use. Under arid conditions they fix carbon dioxide at night, when the stomata are open and water loss is minimal. During the day their stomata are closed, and stored CO_2 is released so photosynthesis can proceed. However, some CAM plants follow the C_3 pathway when they are not under water stress; thus, succulents that receive plenty of water experience higher productivity at elevated levels of carbon dioxide.

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Thousands of Experiments

Thousands of scientific experiments have been conducted to measure the effects of carbon dioxide enrichment on specific plants. In most green plants, productivity continues to rise up to CO_2 concentrations of 1,000 ppm and above. For rice, the optimal CO_2 level is between 1,500 and 2,000 ppm. For unicellular algae, the optimal level is 10,000 to 50,000 ppm.

A doubling of the carbon dioxide concentration in the atmosphere would increase plant productivity by almost a third.

Bruce Kimball, a research leader of the Water Conservation Laboratory of the U.S. Department of Agriculture in Phoenix, Arizona, has pulled together nearly 800 scientific observations from around the world measuring the response of food and flower crops to elevated CO_2 concentrations. The mean (average) response to a doubling of the CO_2 concentration from its current level of 360 ppm is a 32 percent improvement in plant productivity, with varied manifestations in different species.

Greenhouse-grown vegetables, including tomatoes, cucumbers, and lettuce, show earlier maturity, larger fruit size, greater numbers of fruit, a reduction in cropping time, and yield increases ranging from 10 to 70 percent, averaging 20 to 50 percent.

Greenhouse-grown flower crops, including roses, carnations, and chrysanthemums, grow to earlier maturity, and have longer stems and larger, longer-lived, more colorful flowers. Yield increases range from 9 to 15 percent, with a mean of 12 percent.

Flowers and ornamental plants propagated by cuttings, such as geraniums and a number of herbaceous and woody species, show faster and more extensive rooting, with greater plant heights and dry weight. There are also significant reductions in the time needed to grow a marketable product.

Cereal grains with C_3 metabolism, including rice, wheat, barley, oats, and rye, show yield increases ranging from 25 to 64 percent, resulting from a rise in carbon fixation and reduction in photo-respiration. Flag leaves, the ones closest to grain panicles or heads, show a 60 percent increase in photosynthetic rates.

Food crops with C_4 metabolism, including corn, sorghum, millet, and sugarcane, show yield increases ranging from 10 to 55 percent, resulting primarily from superior efficiency in water use.

Tuber and root crops, including potatoes and sweet potatoes, show dramatic increase in tuberization (potatoes) and growth of roots (sweet potatoes). Yield increases range from 18 to 75 percent.

Legumes, including peas, beans, and soybeans, show yield increases of 28 to 46 percent. For soybeans, frequently planted not only for their food value but because they naturally fertilize the soil, there is a spectacular increase in biological nitrogen fixation, as will be shown below.

Aquatic plants are commonly limited in their growth by a shortage of carbon dioxide. CO_2 enrichments induce three- to five-fold increases in algal biomass when light and mineral nutrients, especially phosphorus, are plentiful. In lakes and ponds with severe pollution, a higher CO_2 concentration may therefore accentuate the danger of oxygen depletion through a buildup in algae population. This could lead to the death of fish, as happened in Lake Erie until there was a major reduction in pollutants, including phosphates. Aquatic species with foliage above the water, such as the water hyacinth, produce about 40 percent more biomass when the CO_2 concentration is doubled. Such an increase could aggravate an already serious weed problem in fresh water lakes and streams.

Flower Power

The benefits of carbon dioxide enrichment are well-known among commercial growers of flowers and vegetables. Paul Nielsen, a rose grower in Santa Barbara, California, puts carbon dioxide into his greenhouse every morning before the vents are opened. "We find that roses respond well to carbon dioxide levels of 1,000 to 1,100 ppm," says Nielsen. "The stems are larger and thicker, and there are more stems per plant."

Dick Oglevee, of Connellsville, Pennsylvania, is America's largest grower of geraniums. From the beginning of September through the middle of May, he burns natural gas in his greenhouses to keep the CO_2 concentration at 1,000 ppm. "More carbon dioxide gives us stronger stalks, better breaking, and more cuttings per week," says Oglevee. "I wish we could do this in the summer too, but it's too hot to keep the vents closed."

Richard Gerhart, a cucumber and tomato grower in North Ridgeville, Ohio, is also a big fan of CO_2 enrichment: "Half the dry matter in a tomato or cucumber is

A tripling in CO_2 leads to a six-fold increase in biological fixation by soybeans.

carbon, and the only place that comes from is carbon dioxide in the air." Gerhart maintains a 600 ppm concentration in his greenhouses, except on cloudy days, when he gets even better results by raising the concentration to 800–1,000 ppm.

American commercial greenhouses have used carbon dioxide fertilization for tomatoes, lettuce, cucumbers, flower and foliage plants, and bedding plants for at least 30 years. The benefits of this enrichment were first

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Oglevee Ltd.

The benefits of carbon dioxide enrichment are well-known among commercial growers of flowers and vegetables. Bob Oglevee, America's largest grower of geraniums, gets best results at 1,000 ppm, three times the normal atmospheric concentration.

discovered by nurserymen in Germany 100 years ago, and the practice is widely used in Sweden, Denmark, Holland, Germany, Australia, and Japan, as well as the United States and Canada. Carbon dioxide enrichment is economical when greenhouse vents can be closed. It is therefore used most often in winter in northern areas and in the southerly latitudes of the Southern Hemisphere.

It is also standard practice for laboratory scientists working with algae cultures to conduct their research in CO_2-enriched environments. "Most experiments with algae are conducted at CO_2 concentrations of up to 20,000 ppm," says N. E. Tolbert, professor emeritus of biochemistry at Michigan State University. "Cultures that can be grown in three days at high levels of CO_2 would require 10 to 14 days at the normal atmospheric concentration."

Phenomenal Response in Trees

Some of the most convincing evidence that the rising level of atmospheric carbon dioxide is good for plants comes from the response measurement of individual trees and overall forest growth. Forests cover approximately one-third of the earth's land area, and account for two-thirds of global photosynthesis. They have C_3 metabolism, and, like other C_3 plants, respond favorably to higher concentrations of carbon dioxide.

Trees and their seedlings grown under controlled environments or in open top chambers simulating the outdoors have shown remarkable growth responses to elevated levels of CO_2. Practically every species evaluated thus far in the seedling stage has shown a positive response. Addition of carbon dioxide to black walnut seedlings—at concentrations of 1,000 to 2,000 ppm for three months—increases dry weight by 80 percent, height by 96 percent, and leaf area by 79 percent. Similar results have been obtained for sugar maple, oak, ash, sweet gum, pine, and eucalyptus. The forestry department at Michigan State University has produced plantable trees in months, rather than years, by subjecting seedlings to 1,000 ppm CO_2 concentrations under optimal conditions of light, temperature, day length, and nutrients.

The Water Conservation Laboratory of the U.S. Department of Agriculture has compared the growth of orange trees under the current atmospheric CO_2 concentration of 360 ppm, and a concentration of 650 ppm. The trees at the elevated levels have accumulated 2.8 times more biomass in five years, and in their first two years of production produced 10 times more oranges.

Breath of the Biosphere

If plants respond so well to additional carbon dioxide, then we would expect to see positive responses to the substantial increase in atmospheric CO_2 over recent decades. Several pieces of evidence suggest exactly such a response.

A fascinating report was published by scientists with the Finnish Forest Research Institute in the April 3, 1992 issue of *Science* magazine. The researchers reported a 25 to 30 percent increase in the growing stock of forests in

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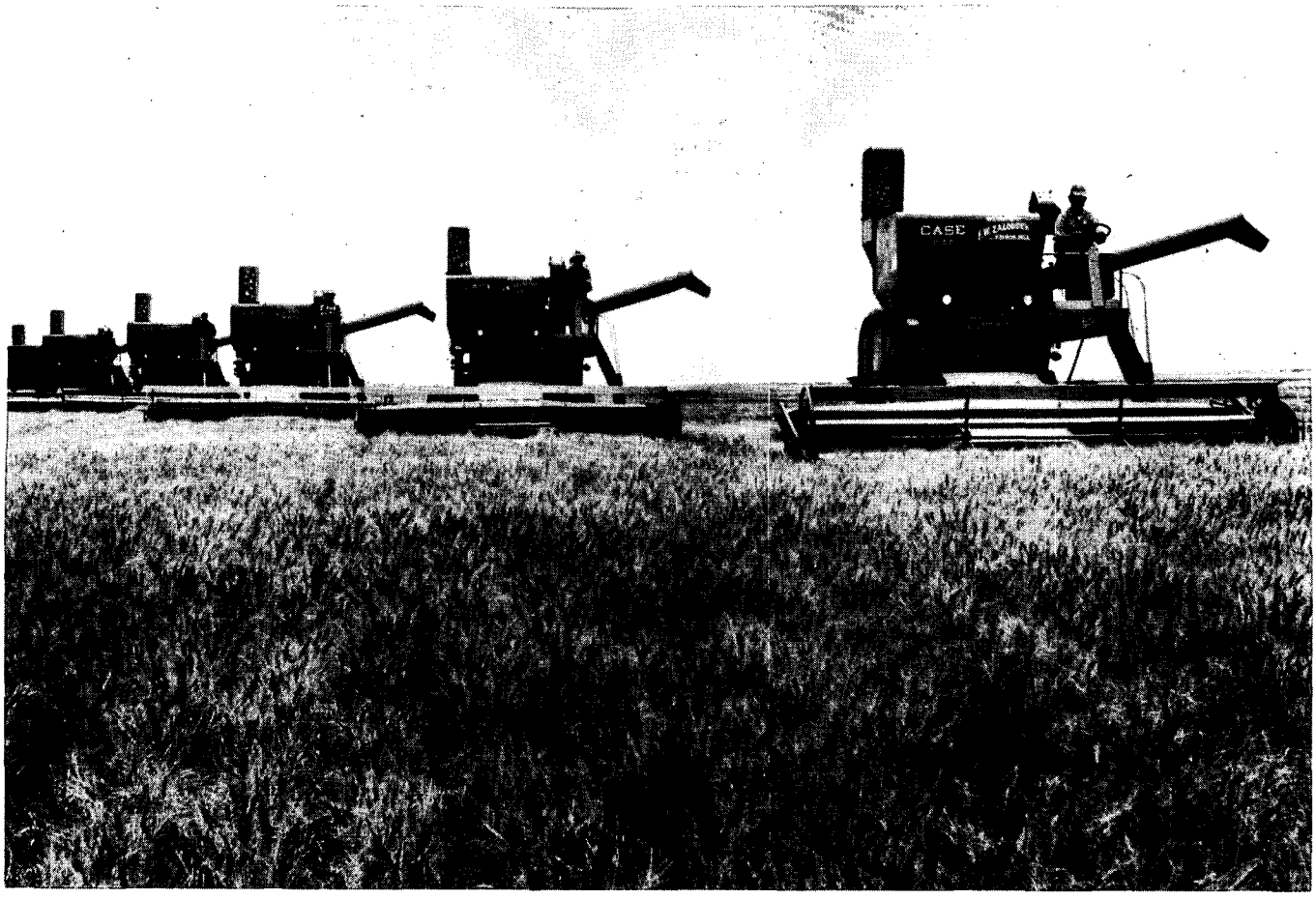

Archive Photos

As crop yields rise with higher CO_2 levels, the amount of land devoted to agriculture can decline.

Austria, Finland, France, Sweden, Switzerland, and West Germany between 1971 and 1990, and attributed this growth in part to a 9 percent increase in atmospheric carbon dioxide during the same period.

Hartwell Allen, a plant scientist with the U.S. Department of Agriculture's Agricultural Research Service in Gainesville, Florida, has estimated that soybean yields have increased by 13 percent because of a rise in global carbon dioxide concentration. Another source of dramatic evidence of rising biological productivity comes from the increasing amplitude of the atmosphere's CO_2 cycle. The majority of the terrestrial vegetation of the earth is in the Northern Hemisphere, so more photosynthesis takes place in the spring and summer than in the fall and winter. The carbon dioxide level in the atmosphere begins to fall in the spring, and continues to fall through the summer months, as CO_2 is removed by the vegetative cover of the north. In late autumn, at least in northern latitudes, much of this vegetation dies and decomposes, and photosynthetic activity drops to a low level; much of the carbon sequestered over the growing season is then returned to the air as CO_2.

This oscillation in the CO_2 level is called the "biosphere's breath," and its amplitude is measured by the Mauna Loa recording station in Hawaii. When the first records were made in 1959, there was a 6.5 ppm difference in CO_2 concentration between summer and winter. Last year, the difference was 7.5 ppm. What this means is astonishing: during their major growing seasons, the plants of the Northern Hemisphere have been able to sequester at least 15 percent more carbon than they did 33 years ago.

Other Important Benefits

Besides greater efficiency in photosynthesis and a reduction in water loss, higher levels of carbon dioxide provide other important benefits for plants.

Rising levels of CO_2 compensate for the deficiencies in light that frequently occur in the winter months in northern Europe, Canada, and the United States. Indeed, flowers and vegetables grown in CO_2-enriched greenhouses experience an even higher-percentage boost in plant productivity under very low light intensities than under normal light.

Enrichment of the air by carbon dioxide also appears to offer some protection to plants against both extremely hot and cold temperatures. There is also evidence that high atmospheric levels of CO_2 raise the optimal temperature for plant growth. The implication of this for the global warming debate is significant: if the higher-CO_2 world of the future leads to higher temperatures, plants will respond favorably both to increases in carbon dioxide and to the warmer conditions.

Plant responses to a higher carbon dioxide concentration do appear to be limited by deficiencies in nitrogen and other mineral nutrients. If plants are to take full advantage of future CO_2-enriched atmospheres, it may be necessary to apply more fertilizer in many parts of the

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world. Even so, higher CO_2 levels have a remarkably stimulatory effect on biological nitrogen fixation by legumes, such as soybeans. A classic study by Ralph Hardy and U. D. Havelka, published in *Science* in 1975, showed that a tripling of atmospheric CO_2 results in a six-fold increase in biological nitrogen fixation—from 75 to 425 kilograms of nitrogen per hectare—by rhizobial bacteria in nodules attached to the roots of soybeans.

Elevated concentrations of CO_2 also offer protection against air pollutants. The partial closing of the stomata at higher CO_2 levels reduces the exposure of both C_3 and C_4 plants to ozone, sulfur dioxide, nitrous oxides, and other harmful substances in the air. The benefits are particularly pronounced for soybeans and other legumes that are especially sensitive to air pollutants.

Good News for the Planet

The benefits to plants that would result from a doubling of the carbon dioxide concentration do not necessarily mean that such a doubling is good for the planet. We do not know what the optimal level of atmospheric carbon dioxide should be. So many variables could be affected by a major increase in CO_2, including temperature and a redistribution of water resources, that the honest observer has to conclude he does not really know what will happen. Even so, the good news about plant growth makes it possible to project a number of features of the global ecosystem in the next century.

First, we can expect a rapid expansion of food production that may offset some of the presumed adverse climate effects. As crop yields rise with higher CO_2 levels, the amount of land devoted to agriculture can decline. It will be much easier to protect environmentally sensitive land areas from over-cultivation for crops.

A doubling of CO_2 concentration is not necessarily good for the planet. We do not know the optimal level of CO_2.

Since C_3 plants will benefit somewhat more than C_4 plants from higher CO_2 levels, there will be some shift in the mix of plants. Trees are C_3 plants, so we can expect more rapid reforestation and an enormous expansion in forest biomass. Of the 21 most important food crops, 17 have C_3 pathways. They include rice, wheat, barley, oats, rye, soybeans, field beans, mung beans, cowpeas, chickpeas, pigeonpeas, potatoes, sweet potatoes, cassava-yams, sugar beets, bananas, and coconuts. The exceptions are corn, sorghum, millet, and sugarcane, which have C_4 pathways, and which will probably decline in relative production. On the other hand, since 14 of the 18 most noxious weeds are C_4 plants, rising levels of atmospheric CO_2 will generally favor crop production over weeds.

AP/Wide World Photos

Since plants are at the bottom of the food chain, a boost in plant production should lead to major increases in animal populations as well.

Plants, directly or indirectly, provide 95 percent of the total food of the earth. Since plants are at the bottom of the food chain, a boost in plant production should lead to major increases in bird, fish, and mammal populations as well.

The rising carbon dioxide concentration in the atmosphere must be viewed with caution. But it is inappropriate for public discussion of the issue to focus only on the hypothetical dangers of global warming that might result from higher carbon dioxide levels. It is important to stress as well the known benefits of a higher carbon dioxide concentration for the productivity of food crops, trees, and other plants.

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Awakening Dragon

The Real Danger in Asia Is from China

Ross H. Munro

Since Napoleon, Westerners have been predicting that once the Chinese dragon awoke, the world would shake. Finally, after almost a century of false starts, China seems firmly embarked on a course of explosive economic growth and military assertiveness that will indeed reverberate throughout Asia and the world. The implications for the economic and security interests of the United States are enormous. China is the only major country in the world whose military now is expanding rapidly. And it is the first example of a Communist political system on its way to meeting the economic aspirations of its people.

China today is a dynamic, bubbling stew of a country in which the Tiananmen massacre of 1989 has been mostly forgotten. The people of China seem much more concerned about getting their share of the biggest economic take-off in world history. This year, China's only major disturbances have occurred when ordinary Chinese felt cheated out of a chance to buy shares in new, private companies, as did hundreds of thousands of would-be shareholders in Shenzhen in August. With a mixed bag of mercantilist and free-market economic policies, China has resumed its red-hot, 1980s' pace of 10-percent annual growth. Foreign and overseas Chinese companies are rushing to invest ever-larger stakes in China's booming economy. Meanwhile, China's exports to world markets are soaring. The foundation for all this is a grand compromise, fashioned by China's paramount leader Deng Xiaoping, and now evidently accepted by a broad cross-section of the Communist Party, that combines sweeping economic freedoms with rigid political controls. While such a combination has never worked in the long run elsewhere, Leninist capitalism could provide the formula for many years to come for the expansion of China's wealth and power.

Recently, Chinese military power has been growing rapidly in both relative and absolute terms. With the collapse of the Soviet Union and the prevailing pacifist mood in Japan, China faces no serious regional threat for the first time in centuries. Indeed, no other East Asian country alone could conceivably confront China today. Nevertheless, Beijing has increased military spending by more than 50 percent since 1989. Much of the new money is being spent to give China's armed forces the capability to fight and win major conflicts outside Chinese borders.

Sixty New Taiwans

All this affects the United States. The U.S. trade deficit with China, negligible in the late 1980s, was $13 billion last year; this year it's approaching $20 billion, second only to our deficit with Japan. The growth of the Chinese market is of course a spectacular opportunity for U.S. exporters. But American policy-makers don't have a clue about how to cope with the world's first economically successful Communist country. Our trade negotiators treat China as just another rapidly developing Asian tiger, whose trade surplus with the United States can be substantially reduced by resorting to traditional market-opening measures. Little thought is being devoted to the staggering implications that China's development holds for the United States, let alone for world trade: China could soon become an Asian economy as dynamic as Taiwan's, yet 60 times larger. President Bush's sale of F-16s to Taiwan is a first response to this emerging danger.

Nor is Washington coming to grips with the implications of China's growing military strength. The sudden spurt in China's relative and absolute military power inevitably affects security relations with our best friends in Asia. Japan, Taiwan, and capitalist Southeast Asia are all unnerved by China's new assertiveness in the region, now that Beijing no longer has the Soviet Union to worry about. All of them are anxiously looking to the United States to maintain its military presence in the region and, somehow, to protect them from China.

Our long-term problem in Asia is China—not stable, democratic, and still quasi-pacifist Japan. Despite all the speculation that Japan is destined to become our primary adversary in the world, our common interests and growing interdependence make that highly unlikely. This does not mean that China will replace the former Soviet

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Union as "the new enemy." But in both the economic and strategic spheres, China will pose a growing threat to our vital interests. Precious little binds the United States and China together now that our mutual concern about Soviet expansionism, the essential glue of our relationship in the 1970s and most of the 1980s, has dissolved. For the United States, the challenge will be to prevent an inevitably conflict-ridden relationship from deteriorating into full-blown hostility.

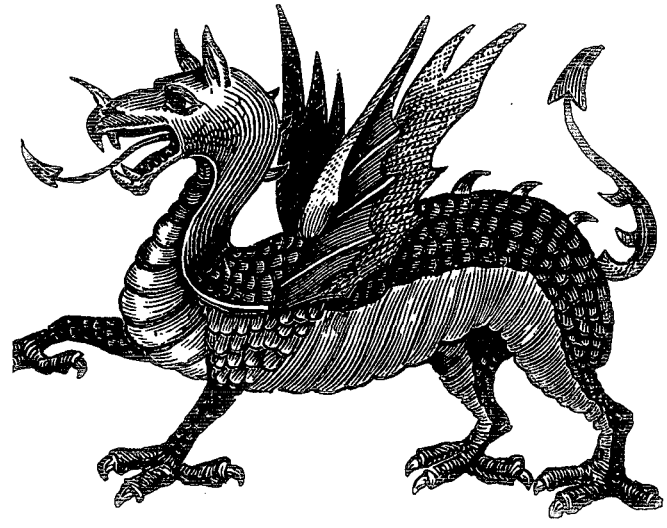
Sinologists Wrong

The militarily assertive, economically vigorous China that the United States faces today is not the one that U.S. China watchers had expected to emerge after Tiananmen. As recently as this spring, many of our best Sinologists were still insisting that the Communist regime had been so discredited internally by the Tiananmen massacre that it wouldn't long outlive Deng Xiaoping and the other gerontocrats who ordered tanks onto the square. This judgment was understandable given that, until recently, the Chinese leadership itself had been reeling, not only from the Tiananmen crisis, but even more so from the collapse of Communism in the Soviet bloc. Traumatized by the Soviet crackup, China's leaders had been asking what lessons were to be learned—or, in crasser terms, how they could avoid the fate of Soviet bloc leaders. For China's leaders, the Tiananmen affair demonstrated, first and foremost, the urgency of coming up with the right answers.

The one issue on which all of China's post-Tiananmen leaders agreed they couldn't compromise was the inviolability of one-party, Communist rule. They agreed that if they allowed a non-Communist opposition to exist, the Chinese Communist party would start down the same slippery slope to oblivion as their Soviet counterparts. This conviction fueled the post-Tiananmen purge of media, academic, and cultural circles whose independence had been growing during the 1980s.

In the economic sphere, China's Stalinists initially appeared to prevail with their argument that only a tightly controlled, centrally planned economy could guarantee continued Communist Party rule. In effect, the Stalinists agreed with Western observers who argue that totalitarian or authoritarian rule will inevitably be undermined by an economy with a large private or foreign market sector that resists state directives. The hard-liners in 1989 announced new controls that worsened the economic slowdown until well into 1990.

By 1991, however, it was clear that the Stalinists had failed to reimpose tight, central controls on most of China's economy. Local and provincial authorities, quietly determined to keep their economies growing, had never stopped encouraging local entrepreneurs and overseas Chinese investors from Hong Kong and Taiwan. Today, the private sector—including family, cooperative and foreign enterprises—accounts for about two-thirds of China's economic output. Even in the industrial sector, the traditional core of the Communist economy, state enterprises now account for only half of production. Nowhere is the dominance of the entrepreneurial sector more pronounced than in China's southern coastal regions. By 1991 in Guangdong Province an estimated



The Bettmann Archive

China's Leninist dictatorship is militarily assertive and economically vigorous.

three million workers were employed by more than 25,000 Hong Kong-owned and -operated enterprises.

Local Chinese officials haven't chosen market economics because of an ideological conversion. Their reasons are practical, even somewhat cynical. A growing local economy, particularly with the inflow of investment and the creation of new factory jobs, shores up their local political power. Economic growth also provides the authorities with many unofficial benefits: jobs for family members, secret shares in new enterprises, and cash payoffs to finance high living. Today, corruption is standard business practice in China. The pattern extends from municipal officials in rural southern China to cabinet ministers in Beijing. Even Communist-Party Politburo members have children who have climbed on the capitalist gravy train.

Leninist Politics, Capitalist Economics

Meanwhile, Deng and his supporters saw an economic element in the collapse of Communism in the Soviet Union and Eastern Europe. The Soviet-bloc leaders had invited their downfall not just by diluting the principle of one-party rule, but also by failing to provide their people with a decent and improving standard of living. The lesson here, Deng insisted, was that China must achieve economic growth at almost any cost.

This January, in what will probably prove to be his last hurrah, the 87-year-old Deng launched his campaign to make market economics official policy. In a carefully orchestrated tour of southern China's special economic zones— where Hong Kong-style capitalism is at its rawest and most successful—Deng extolled "borrowing freely from capitalism." Since then, his pronouncements in favor of market economics, foreign investment, and export-led growth have been endlessly recycled in the official media. A nationwide propaganda campaign insists that China can somehow remain socialist and yet have free markets, private business, stock exchanges, and even large income inequalities.

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At the same time, Deng remained as hard-line as ever on the key issue of Leninism, the Communist Party's exclusive right to rule. Deng had crafted the grand compromise: Leninist capitalism. By mid-year, the Communist Party Politburo had adopted Deng's line, endorsing the goal of continuous, rapid growth and adherence to market economics for the next century. As even reputed leftists get in line, the consensus should easily prevail at the 14th Party Congress, scheduled for late this year, which will set policy guidelines for many years to come.

In short, China's Communists have concluded that the only way to preserve Communist rule and keep themselves in power is to junk Communist economics and convert to capitalism. In fact, the key document that came out of Deng's campaign made it clear that the main issue was the party elite's survival. "If we...do not develop the economy, and do not try to improve the people's livelihood, then there will only be the road to ruin."

China's new Leninist-capitalist consensus has convinced Hong Kong and Taiwan businessmen (who make the most prescient China watchers, since both their cultural antennae and their money are in play) that Communist economics is dead in China. Their optimism is largely responsible for soaring foreign investment in China in the first half of this year—$14.7 billion in new commitments, or more than 20 times what would-be capitalist India could garner. Investors are looking beyond the first stage of the Chinese boom, when they were interested largely in the cheap land and unskilled labor that south coastal China could offer. Now the boom is rippling northward and into the interior. On the horizon are massive investments in major industrial projects, such as a Taiwan-financed computer industry complex near Shanghai, and infrastructure development, such as a new transportation and distribution center in interior Wuhan, linked to Hong Kong by a new railroad and super highway.

China's new drive for military power may prove to be an even greater problem for the United States than its mercantilist trade policies.

Mercantilist Trade Policy

A central element of China's Leninist capitalism is a trade policy rooted in mercantilism, that ancient but still-fashionable practice of concertedly subsidizing exports and limiting imports. The Chinese authorities, for instance, are effectively subsidizing exporters' labor costs. Hong Kong businessmen operating in Guangdong boast that their total labor costs are only $30 a month, because officials have waived company obligations to cover such costs as pensions, health care, and other benefits. Small wonder that Guangdong's exports, most of them U.S.-bound, are running 35 percent ahead of last year.

On the import side, the Chinese government still can limit imports almost at will. It was official Chinese policy, for example, that was primarily responsible for transforming a modest U.S. trade surplus with China in the late 1980s into a large and growing deficit. This year, the U.S. trade deficit with China is projected to be almost $20 billion, 50 percent higher than last year.

Assuming that China's exports continue to soar, neither the United States nor the world economy will long be able to cope with Chinese mercantilism. In the 1950s and 1960s, the United States tolerated the mercantilism of its cold war allies Japan, South Korea and Taiwan, which kept their markets closed while pumping exports into the relatively open U.S. market. But today the United States has neither the strategic incentive nor the economic capacity to accept a huge trade deficit with a mercantilist and non-allied nation that is 60 times Taiwan's size.

Internal Contradictions

The domestic implications of Leninist capitalism for China are also immense. Rising income disparities between regions—one study indicates that per capita income in southern, coastal China is already 16 times that of the interior northwest—will get worse. So will class differences. Those becoming rich will usually be members of the Communist Party elite, their relatives and cronies, or entrepreneurs who pay off the Communists. In the short term, at least, it's unlikely that the disparities and the corruption will prompt a political struggle between the haves and the have-nots. More likely is a huge, public order problem, with millions of poor peasants' sons trekking coastward to seek their fortunes.

Already, even official estimates of China's population of unregistered workers and vagabonds range as high as 50 million. Since Tiananmen, China's leaders have advertised their determination to suppress disturbances and demonstrations, whether they are economically or politically rooted. In the name of Leninist stability, they are pouring resources into the 600,000-strong People's Armed Police Force, which has the task of rapidly and ruthlessly quelling organized protests.

In the long term, these contradictions and problems will probably become intolerable to a growing middle class; then the Leninist-capitalist consensus will crumble. But this could take decades, particularly if the economy continues to grow rapidly. With economic growth, the political elite will probably have sufficient funds at its disposal to placate the military and to co-opt the potentially restive intelligentsia with well-paying jobs.

In the short run, China may soon witness a nasty leadership succession struggle, fueled by personal and factional antipathies. But it would be a mistake to equate elite turmoil for a change in political course. When the smoke clears, it is highly likely that the Leninist-capitalist consensus will still be in place, no matter who is in charge. Likewise, conflict between the Beijing regime

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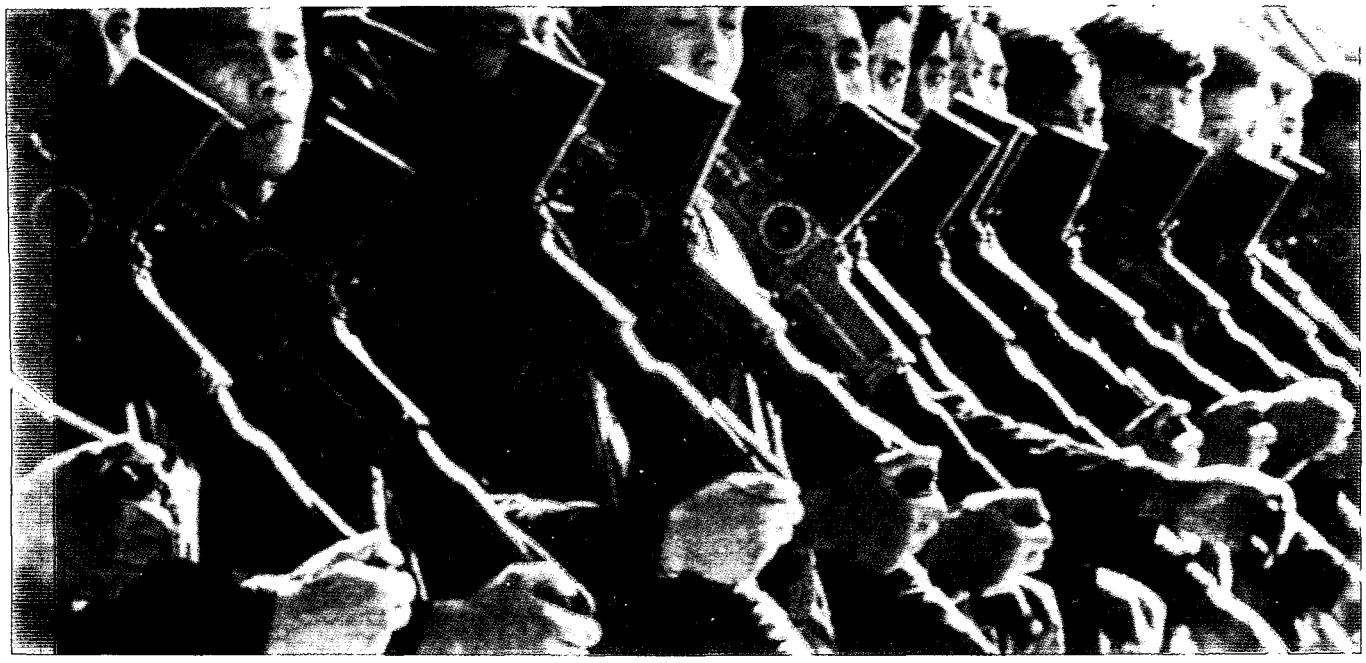

Archive Photos

China is the only major country in the world whose military is now expanding rapidly.

and the provincial governments is bound to grow as capitalist development creates increasingly distinct economic interests. But such conflict, intense and tumultuous as it may be, won't inevitably undermine the Leninist-capitalist consensus prevailing nationwide, particularly with a Chinese military committed to maintaining China's unity.

The most far-fetched scenario is that China will become democratic in the near future. There is no organized democratic movement in China today. Even within the relatively small but important exile community, the commitment to democracy seems largely confined to a small community of liberal intellectuals. But talk with a Chinese graduate student who refused to return to China after Tiananmen, and you will usually find someone who wants little more than a reversion to the mid-1980s, when the Chinese educated class enjoyed status, a modicum of intellectual freedom, and a relatively decent standard of living. This was even true of most demonstrators at Tiananmen, who were calling for reform of the existing system, not a democratic upheaval.

New Drive for Military Power

Having hollowed out the leftist rationale for one-party rule, China's Communist elite is increasingly flirting with nationalist, expansionist, and anti-Western themes. These themes strike a resonant chord among many Chinese, who want their nation to be a military power that commands the world's respect. For them, expansionism would expunge the humiliation of the 19th and early 20th centuries, when Western nations and Japan carved China into spheres of influence. But China's new drive for military power may prove to be an even greater problem for the United States than its mercantilist trade policies.

For decades, Sinologists of all political stripes argued persuasively that Communist China, no matter how radical its domestic policies, was a status quo power on the international stage, dispatching troops beyond its borders rarely, reluctantly, and then only defensively. But in the wake of the Soviet Union's collapse, China is rapidly demonstrating in word and deed that it now views its East Asian neighborhood in expansionist terms. With its armed forces no longer tied down by a Soviet military threat to the north, China's military power relative to its neighbors has suddenly increased. Yet China has increased its officially acknowledged military spending by 52 percent since 1989. Some of that money is being spent on making the military better able to suppress domestic uprisings, particularly in border areas peopled by non-Han Chinese minorities. But much of the increase is committed to a military buildup aimed at giving China its first capability to project naval and air power well beyond its shores.

No group has been more enthusiastic about the recent, fire-sale prices at Russia's arms bazaar than Chinese generals. China is buying both advanced hardware and the modern technology needed to build it. It recently purchased 24 Su-27s, the most advanced warplanes China has ever deployed, and is reportedly negotiating for two additional squadrons. It is also negotiating the purchase of advanced missile guidance systems from the Soviets. China has also been modernizing its military-industrial complex by entering into joint ventures with foreign companies, including some in the United States, in order to acquire up-to-date technology in electronics and other fields. This spring, an increasingly assertive China conducted its largest ever nuclear test, breaking the informal international ban on large detonations. The armed forces are also proclaiming their growing offensive capabilities with well-publicized military exercises.

Simultaneously, China is adopting a strikingly assertive stance toward its neighbors. It is transforming Burma into a satellite, reestablishing its sphere of influence in Laos, and ensuring itself veto power over events in

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Cambodia. While none of these developments directly affects vital U.S. interests, the same cannot be said of China's actions elsewhere in East Asia. China claims U.S.-ally Japan's Senkaku Islands south of Okinawa. It also reserves the right to invade or, more realistically, to blockade Taiwan. The United States is legally obligated under the Taiwan Relations Act to defend Taiwan, an obligation that has deepened over the years as Taiwan has become an increasingly open and democratic society.

Aggressiveness in South China Sea

Nowhere has China recently been more aggressive, or set off more international alarm bells, than in the South China Sea. In 1974 and again in 1988, the Chinese military routed Vietnamese forces from islands they occupied. Beijing claims almost the entire South China Sea as Chinese territory, including islands currently held by Vietnam, Malaysia, and the Philippines. Tensions have grown since February, when the National People's Congress, China's parliament, passed a law reaffirming those claims in uncompromising language. In May, China humiliated Vietnam by granting an offshore oil concession to Crestone Energy Corporation of Colorado for a tract hundreds of miles from the Chinese mainland, but only 84 miles from Vietnam's coastal islands. Vietnam's subsequent protests counted for very little since, weak and friendless, it could do nothing about China's de facto territory grab. (Washington has taken a hands-off stance. If Vietnam were rash enough to attack a Crestone platform, China would happily seize the excuse to thrash Vietnamese forces.) In July, China further humiliated Vietnam by placing a marker on a partly submerged reef claimed by Hanoi.

It may take decades for the new Leninist-capitalist consensus to crumble.

China is clearly rushing to establish an overwhelming military presence in the South China Sea area that can't be challenged by any combination of Southeast Asian military forces. It has built an airbase on one island that could be used as a staging area for military operations against the islands still occupied by rival claimants. There are credible reports that a brigade-sized, rapid-deployment force with amphibious capabilities—clearly meant for operations in the South China Sea—has been deployed in South China. China also has acquired in-flight refueling technology so that it can keep its warplanes over the Sea's southernmost islands for extended periods. And there are persistent reports that indicate China will soon purchase an aircraft carrier recently built in Ukraine, primarily for use in the South China Sea area.

China's actions prompted a recent spate of articles suggesting that military conflict is imminent. Indeed, China will probably continue to harass, and possibly to attack, Vietnamese forces in the area. Otherwise, China will likely continue on its present course: establishing de facto control of the South China Sea while ignoring the Philippines' and Malaysia's largely symbolic military garrisons. Characteristically, Chinese authorities have combined their aggressive actions with conciliatory words, claiming they favor peaceful joint development of the Sea's islands and seabed resources. The Southeast Asians are wary, suspecting that China would manipulate any agreement on joint development to force them into acquiescing to its sovereignty claims.

Beijing's claim that the entire South China Sea is Chinese territory is legally and historically flimsy. But the realities of China's size and military power make Chinese domination of the South China Sea virtually certain. As the Sea becomes a Chinese lake and the nations of Southeast Asia adjust to a Chinese military presence that in some cases will be just offshore, the balance of power in Asia is going to shift. The United States can live with this historical shift if it succeeds in convincing China not to overplay its hand. Clearly there is little standing in the way of China's routing Vietnam from its island bases, even though this would cause alarm in the region. But if Chinese forces were to attack and wipe out a Malaysian or Philippine island garrison, for example, all of Southeast Asia would be compelled to treat China as a hostile power. Japan also would feel threatened and vulnerable, since Japan views Southeast Asia as a vital market and source of raw materials and has huge investments there. These U.S. friends wouldn't expect us to go to war to wrest back the islands, but they would ask us to forge closer military ties and to join them in diplomatic and economic actions aimed at punishing China. If we did any less, we would have little choice but to give up our military access agreements with countries like Singapore and limp back across the Pacific to Hawaii.

An even starker test of wills would occur if China ever demanded that foreign vessels obtain its permission before using what are now the Sea's international shipping lanes. This possibility isn't farfetched; China's new law explicitly asserts its right to use military force to prevent foreign ships from entering the South China Sea. Such an action would be an attack on the vital interests of the United States, for which the South China Sea serves as a link between the Pacific and Indian Oceans; on Japan, for which the Sea is its petroleum lifeline; and certainly on Southeast Asia itself. In such a situation, the United States would have to choose between defying China and retreating entirely from Asia.

Washington at Sea

China today is deeply ambivalent about the important role that the United States plays in Asia. Internal party documents portray the United States as, on balance, a threat to Chinese interests. Yet Chinese leaders consider the U.S. military presence in Asia to be "useful" as long as we defend Japan, thereby discouraging it from full-fledged rearmament. Nevertheless, it is only the U.S. military presence that prevents China from realizing its strategic goal of being the dominant and unchallenged military power throughout East Asia. China's current

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military buildup suggests that China is preparing for the day when the United States will withdraw militarily from Asia. By then, China intends to be so strong that Japan will be forced to come to terms with China's domination of the entire region.

Clearly, this new Leninist, capitalist, mercantilist, expansionist China now emerging poses a major challenge to the basic economic and strategic interests of the United States. Inevitably, the U.S.–China relationship is going to be difficult, complicated, and dangerous for the foreseeable future. Yet Congressional Democrats, the Bush administration, and the media don't seem to have noticed. For Washington, the key issue in U.S.–China relations is how best to promote Chinese democracy and human rights. Since Tiananmen, Congressional Democrats have in effect been trying to punish China for its human rights violations by increasing tariffs on Chinese imports. The Democrats don't put it that way, of course. Specifically, what they're proposing is conditioning the renewal of China's Most Favored Nation (MFN) trading status on specific improvements in China's human rights policies that are patently unacceptable to Beijing. (The Democrats' task is made easier by widespread misunderstanding of what MFN means. Most Favored Nation status indicates only that a country has a normal trade relationship with the United States. Imports from a country without MFN status are subject to prohibitively high tariffs.)

A characteristically reactive Bush administration has compounded the air of unreality by accepting the Democrats' terms of debate. Senior administration officials continue to insist (as recently as this summer) that the first priority of U.S. China policy is furthering human rights and democracy. The Bush administration defends MFN status for China with the argument that foreign trade and investment promote reform and liberalization in China. That argument is superficially correct but deeply flawed. The best that can be assumed is that U.S. trade and investment dollars will aid China's economic growth, which in turn will have some positive impact on Chinese politics in the future. It is hard to imagine a flimsier rationale for U.S. China policy.

Safeguarding U.S.–China Trade

The debate about how best to promote human rights and democracy in China is the latest manifestation of the old "We-can-change-China" myth that has warped U.S. thinking about China for a century. At best, any U.S. administration can bring about only a tiny, marginal improvement in Chinese political conditions. Conversely, U.S. China policy can have a huge impact for good or ill on America's economic and strategic interests. This will never be truer than in future years, when the United States comes to grips with China's growing economic and military power.

The most urgent issue is trade. The soaring U.S. trade deficit with China will not be significantly reduced by the market-opening measures that the Bush administration is currently pressuring China to accept. Even with those measures in place, the still powerful Communist state will use the many levers at its command to subsidize its exports and limit U.S. imports. With China indefinitely and instinctively continuing its mercantilist ways, not even the entire U.S. International Trade Administration could cope. The U.S. government should negotiate a U.S.–China trade agreement that would compel China to increase its imports from the United States or decrease its exports to the United States whenever the U.S. trade deficit with China approached a target zone. Few immediate prospects for the American economy are more appealing than growing and balanced two-way trade with China. Americans as disparate as wheat farmers and aircraft builders already rely on the booming China market for their livelihoods. Meanwhile, low- and middle-income Americans increasingly depend on inexpensive clothing, footwear and household goods imported from China.

Reuters/Bettmann

Under Deng Xiaoping's grand compromise, the Chinese people enjoy growing economic freedom but still live under tight Leninist political controls.

To safeguard the potential of U.S.–China trade, the administration that takes office next January must act quickly. Already, the U.S. garment industry is donning human rights clothing to call for new trade barriers against Chinese imports. Unless measures are taken to reduce the ballooning U.S. trade deficit with China, an alliance of protectionists and human-rights advocates will seize control of U.S. trade policy toward China. The

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U.S.–China trade war that they would inevitably provoke would have only one set of winners—our trade competitors, primarily Japan and Europe, who would seize the opportunity to increase their exports to China at our expense.

Human Rights Challenge

Both the administration and the Congress must break from the post-Tiananmen era and stop treating trade primarily as a lever to promote human rights and democracy. Only after that is accomplished can the United States realistically fulfill its unique obligation to promote democracy and human rights in China without jeopardizing American interests. U.S. officials can and should continue to emphasize the need for political liberalization in China, without linking that stance to the threat of sanctions. We should continue to intervene on behalf of jailed and persecuted dissidents and, of course, maintain our import ban on products made by prisoners. We should step up exchanges and visits of all kinds in both directions, since they are subtly but profoundly subversive. Washington's information offensive, from the State Department's annual human rights report to the Voice of America's immensely popular broadcasts to China, should be strengthened.

The most far-fetched scenario is that China will become democratic in the near future.

At the same time, it must be recognized that much of the struggle for human rights and democracy is best waged outside government. Human rights organizations as well as private media must continue to expose and embarrass China's persecution of political dissidents. Religious organizations should continue their quiet, good, and subversive work. Washington should make better use of our special relationship with democratic and capitalist Taiwan. U.S. officials should remind officials of the Republic of China that they have a unique responsibility for promoting greater political and economic freedom on the mainland. Taiwan should have a plan for pumping not just its exports and investment dollars into the mainland, but information as well. Taiwan, not America, has the unique resources to run successfully the proposed new radio service to the mainland.

Long-Term Danger: Chinese Expansionism

Ultimately, the biggest problem in U.S.–China relations will be neither human rights nor bilateral trade. It will be the fundamental conflict between the security interests of the two nations. Here we can learn little from our long struggle with Soviet imperialism. In sharp contrast to the Soviets, the Chinese have never viewed conflict with the United States as global, zero-sum, or primarily ideological. It will be basically an old-fashioned, bilateral contest over power and influence, focused on the Asian region.

While an expansionist China tries to assert itself as East Asia's dominant military power, Japan, Taiwan, and capitalist Southeast Asia will try to strengthen existing military ties with their old friend, the United States, as a balancer against China. India, too, might look to the United States as a balancer against the rival Asian colossus. Such a trend would mesh, although imperfectly, with the fundamental and long-term U.S. interest in an Asia not dominated by a single power. (Where a united Korea would stand is uncertain; Korea's deep-seated antipathy toward Japan might cause it to draw closer to China.)

But the United States must navigate this new Asia with great caution. We must do everything possible to avoid stepping across the line that separates the role of the balanced from that of the leader of a hostile, anti-China alliance. We must also avoid applying the containment model to China. It would be tragic if the United States found itself compelled to maintain a huge naval and air presence in the western Pacific specifically aimed at restraining China. Nor should we ever be drawn into a fight over the rocky atolls and coral reefs of the South China Sea. Our vital interests will not be threatened if China consolidates its hegemony over Burma, Laos, or even Vietnam. Up to a point, it is in our interest—and Southeast Asia's—to accommodate China's growing economic and military power.

In reassessing the American relationship with an awakening China, we can learn something from the Chinese leaders in Beijing. They view the United States as a threat, but they never forget that it is in China's national interest to continue working with us on several levels. The United States could do worse than adopt this approach toward China.

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The Great Potomac Earthquake

America's New Bargain with Washington

Burton Yale Pines

The 1992 presidential race was supposed to be a yawn. George Bush, loftily hovering above 80-percent popularity last year, was supposed to have reelection sewn up. The real action, pundits told us, must wait for 1996's free-for-all.

This isn't, obviously, how it's working out. To its surprise, America finds itself in the swirl of the most exciting, least predictable presidential horse race since the photo finishes of 1960, 1968, and 1976.

The excitement comes from the twin tremors rattling political seismographs: 1) the spontaneous mobilization of H. Ross Perot's legions, dissatisfied with Republicans and Democrats alike, and still clamoring for change after their hero's abrupt departure from the race; and 2) a public furor at Congress, which has prompted 80-plus incumbents to throw in the towel and not seek reelection to their House seats, while nearly a score of states have put term-limitation measures on November's ballot. In political terms, this is the start of an earthquake—in part, the result of the most painful economic downturn since World War II. In part, too, it's the result of the angry disillusion provoked by Bush's cavalier abandonment of his no-new-taxes pledge and by the White House's persistent failure of leadership on any issue. And, in part, it's the result of the offensive behavior of congressmen kiting checks, fiddling with their post office funds, and generally abusing privileges.

But these factors alone can't account for a public reaction registering in the high reaches of the political Richter scale. As with all major earthquakes, this one is caused by a shift of subterranean geological plates. What is sliding away is the Cold War bedrock upon which much of U.S. post-World War II politics apparently has rested.

Washington at War

It was widely expected that the geopolitical collapse, surrender, and dissolution of the Soviet Union would reshuffle the foreign policy deck. What was not predicted was how much the end of the Cold War would rewrite the rules of domestic politics. Yet this is what is happening. The sudden clamor for change in domestic policy coincides with the sharp reduction of danger abroad, as Americans are demanding to renegotiate the bargain the nation made with Washington a half-century ago.

It was the Cold War, more than the New Deal or Great Society, that allowed Washington to become the dominant political force in American life. There were two reasons for this. The first was the massive power Washington acquired to assemble and run the military–industrial establishment. The second was the enormous legitimacy this gave Washington in non-defense areas.

A Washington competent to defend America was accepted as a Washington competent to attack social and economic ills. The "systems analysis" approach that ostensibly worked in choosing the strategies and weapons to protect America from dangers abroad surely would work to defeat problems at home.

Revealing is the very terminology invoked: Washington launched "wars" on poverty, on drugs, on cancer, and AIDS; Washington sought a Manhattan Project for public housing; Washington was asked for Marshall Plans for urban renewal and for infrastructure. The image of Washington as a masterful General Staff capable of the most extraordinary feats burrowed itself so deeply into the American mind that it spawned one of our most reflexively invoked cliches: "If America can put a man on the moon, it can...."

Thus in the '60s and '70s, when questions arose about protecting the environment, ensuring health care for the elderly and financial support for welfare mothers, giving poor children a "Head Start" on education, and other matters traditionally addressed by local communities, Americans increasingly looked to Washington for answers. And Washington, following central government's natural instinct to aggrandize itself, happily responded by coming up with programs.

The bargain that established this relationship between Washington and the nation was forged from the early '40s through the early '50s. As its part in the bargain, Washington marshalled massive forces to protect America first from Hitler, Nazism, and Japan, and then

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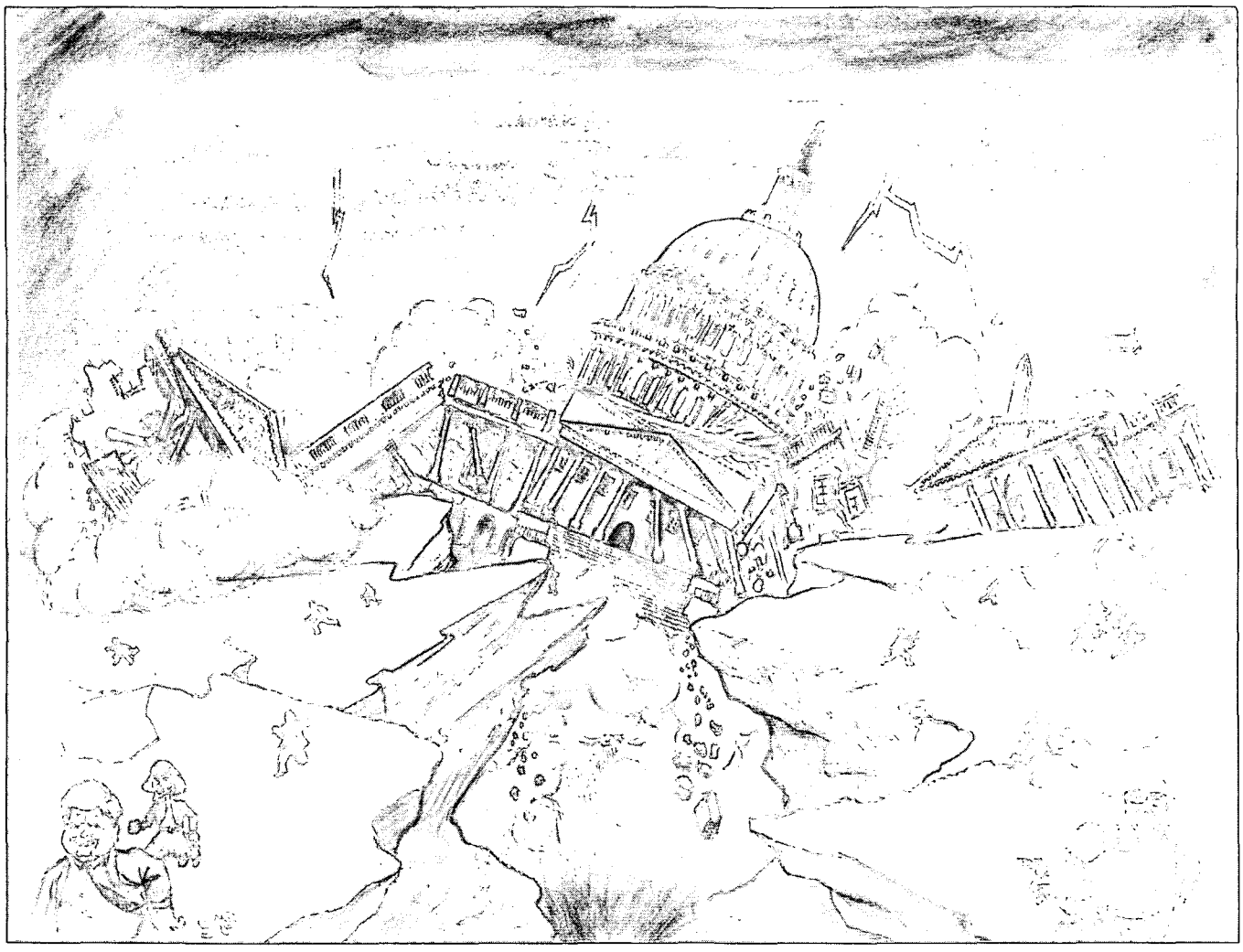

Drawing by Steve Schwalm for *Policy Review*

Tectonic Shift: the end of the Cold War is endangering incumbents and rewriting the rules of domestic politics.

from Stalin, Brezhnev, Communism, and Soviet missiles.

In exchange, America gave Washington vast powers and, what is as important, vast license. As hot and cold wars raged, America swallowed hard and put up with Washington, tolerating its outrages, its arrogance, its high taxes, its intrusive rules, its swaggering bureaucrats, its suffocating regulations, and the repeated insult of congressmen exempting themselves from the laws that were making life more difficult for the nation. America, too, put up with lawmakers who frolicked on stage with Argentine strip-tease dancers, seduced barely pubescent congressional pages, openly solicited fat speakers' fees and PAC money, voted themselves huge payhikes in the dead of night (while promising each other not to make it an election campaign issue), and took girlfriends on "official" junkets to exotic lands.

Sure, America knew something was wrong. But America needed the bargain and thus stuck by it. Only a powerful Washington could protect America from the deadly predators stalking the world.

Steady Finger on the Button

There was another aspect to the bargain. Because the world was so dangerous, America had to set very rigid standards for its presidents, insisting on a tested, experienced leader who could be trusted to face down Moscow and keep a steady finger above the nuclear button. This, in fact, was the core presidential campaign issue. American voters knew that a presidential miscalculation could trigger nuclear war. Even short of that, the costs of presidential mistakes were still high. A misstep could allow Moscow to gain at Free World expense, overrun yet another country, and even set the dominoes tumbling. America dared not risk this.

The Cold War also affected how a candidate was viewed on non-defense matters. A stumbling economy was seen as bad not only because it put Americans out of work, but also because it cut America's ability to fund military research and buy the best weapons. And, of course, a recession could be exploited by Moscow propagandists always ready to depict America as a failure. Military security even was used to justify education, highway construction, welfare, and other domestic policies.

Thus in almost every election, the paramount issue was whether America would be militarily and economically strong enough to stand up to the Soviets. The urgency of this question narrowed enormously the margin of error tolerable in choosing a president, hence

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forcing Americans to play it safe.

No longer is this so. With the Cold War over, the old bargain no longer is necessary and a new bargain is being negotiated. While it is still too early to predict what form the new bargain will take, the collapse of the old bargain gives America new freedom in three key areas: 1) America can take strong action to reduce Washington's size and sway; 2) America can be less forgiving of lawmakers' excesses and misdeeds; and 3) America can take vastly greater chances in choosing its president.

It is this new freedom that endangers Washington incumbents, allowed Perot to be regarded seriously as a presidential candidate, and imposes almost no political price on Clinton's total lack of foreign or military policy experience. The five-month Perot bubble is instructive. There was little new, of course, in Perot's anti-Washington message. What is new is the large numbers of Americans ready to risk a president who lacks governing experience. In a post-Cold War world, this is no longer such a risk.

The determination by vast numbers of Americans to scrap the old bargain is obvious from vast anecdotal evidence. As a Pennsylvania Democratic party official told the *Washington Post*, Americans are "fed up...disgusted with everybody." These views are confirmed by public opinion surveys and primary election exit polls. One national poll finds 73 percent of respondents believing the political system is broken and run by insiders who can't fix it. Another poll finds 84 percent saying that the political system either has to be completely rebuilt, or at least fundamentally changed.

Vandenberg Joins Truman

When Americans began giving Washington ever-greater power a half-century ago, they did so reluctantly. Indeed, after the German and Japanese surrenders in 1945, the public wanted the GIs back home and demobilized immediately, with the domestic pre-war status quo restored. Playing to this, the GOP in 1946 won both houses of Congress by vowing to slash taxes and federal spending. And although history celebrates Winston Churchill's March 5, 1946, "Iron Curtain" speech, much of the public reacted coolly to his impassioned plea for American help for Europe. At that time, the United States clearly did not feel endangered. It would take a series of events to convince Americans that they again needed protection.

It was widely expected that the geopolitical collapse of the Soviet Union would reshuffle the foreign policy deck. What was not predicted was how much the end of the Cold War would rewrite the rules of domestic politics.

Washington was ahead of the nation in realizing that Moscow was behaving less as our wartime ally and more as an adversary. One of the first signals was a rare speech by Stalin on February 9, 1946, warning that wars between Communists and capitalists were inevitable. To a shocked liberal like William O. Douglas this speech was "the Declaration of World War III."

A few weeks later, Senator Arthur Vandenberg, the Michigan Republican and one-time isolationist, told the Senate of his mounting alarm at Moscow's actions. "What is Russia up to now?," he demanded on the Senate floor. "We ask it in Manchuria. We ask it in Eastern Europe and the Dardenelles....We ask it in the Baltic and the Balkans. We ask it in Poland....We ask it sometimes even in connection with events in our own United States. What is Russia up to now?"

Concern became crisis in February 1947 when London informed the State Department that an increasingly impoverished Britain no longer could afford to protect Greece and Turkey from Communist threats. Now, said London, only America could block Communism's advances in Europe. Many American leaders—among them President Truman, Secretary of State George Marshall, and foreign policy expert John Foster Dulles—were ready to agree. The problem was that the public still was not.

Truman concluded that he had to educate Americans about how seriously Moscow threatened them. This education began in the since-famous February 26 Oval Office meeting with leaders of the GOP-controlled Congress. As Truman intended, they were stunned by what they heard, particularly by an impassioned statement by Dean Acheson, then Under Secretary of State. Acheson recalls the moment in his memoirs:

> These congressmen had no conception of what challenged them....I said, Soviet pressure on the Straits, on Iran, and on northern Greece had brought the Balkans to the point where a highly possible Soviet breakthrough might open three continents to Soviet penetration....The Soviet Union was playing one of the greatest gambles in history at minimal cost. It did not need to win all the possibilities. Even one or two offered immense gains. We and we alone were in a position to break up the play.

Then, according to Acheson and other accounts of the meeting, a long silence followed. It was broken by Senator Vandenberg. He turned to Truman and said: "Mr. President, if you will say that to Congress and the country, I will support you and I believe that most of the members will do the same." In effect, Vandenberg told Truman: Scare Congress and the public. This Truman did before a joint session of Congress on March 12.

To Truman adviser Clark Clifford, the speech was "the

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opening gun in a campaign to bring people up to [the] realization that the war isn't over by any means." Within weeks, Congress gave Truman the Greek–Turkish Aid Act he wanted. The Cold War bargain was beginning to take shape.

It continued to do so as new events scared America. In March 1948, the Soviets began squeezing Berlin and blockaded the city completely by June, forcing America and Britain to supply Berliners by the famed airlift. That year too, Czechoslovakia fell to the Communists, as did China the following year. What was most terrifying, however, was the September 23, 1949, announcement by Truman that "within recent weeks an atomic explosion occurred in the USSR." Americans then knew that they could be victims of Soviet nuclear attack. Almost as alarming was the discovery that Moscow built its A-bomb three to five years faster than expected because its spies had stolen American and British nuclear secrets.

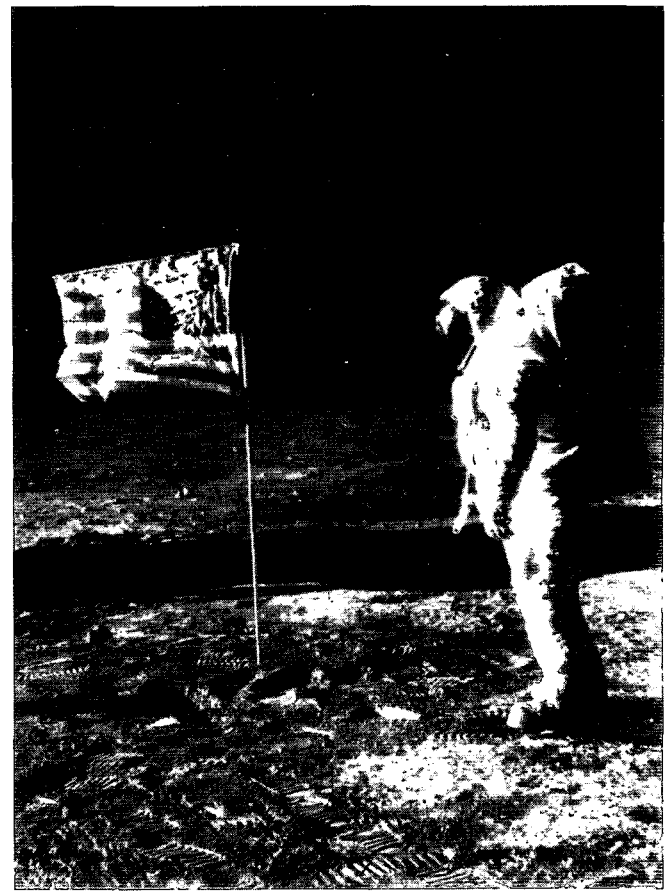
Alarm over the Soviet Union rightly prompted America to grant Washington vast authority to protect the nation. It led, in April 1949, to the formation of NATO, by which America unprecedentedly committed itself to defend Europe militarily into the unseen future. Then, in June 1950, North Korea attacked the south. Just when Americans thought that GIs finally were out of harm's way, America's sons again were being drafted and dispatched overseas.

Ike's Unbalanced Budget

By the time Eisenhower took his presidential oath in January 1953, America's new bargain with Washington was nearly struck. Ironically, Eisenhower would complete it. Although he had campaigned in 1952 against New Deal/Fair Deal deficits, vowing to dismantle Washington's vast bureaucracies, he soon discovered that the Cold War made this impossible. Almost apologetically, he said in his first State of the Union address that America "[is] living in an international situation that is neither an emergency demanding full mobilization, nor is it peace. No one can know how long this condition will persist. Consequently, we are forced to learn many new things as we go along."

What Eisenhower had learned was clear from his first budget. "National security," he told his Cabinet, "must not be endangered just for the sake of a balanced budget." This set sparks flying at his April 30, 1953, meeting with GOP congressional leaders. When he said that high defense outlays would mean that the budget, the first to be submitted by a Republican in two decades, would not be balanced, Robert Taft, the Senate majority leader and Eisenhower's key rival the previous year for the GOP presidential nomination, according to contemporary accounts, "went off like a bomb...Fairly shouting and banging his fist on the Cabinet table, Taft declared that 'the one primary thing we promised the American people was reduction of expenditures. Now you're taking us down the same road Truman travelled. It's a repudiation of everything we promised in the campaign.'"

In the face of Cold War needs, Taft's protest was futile. Not only did defense spending increase, the military establishment became more firmly entrenched. Eisenhower created the Office of Defense Mobilization and the Foreign Operations Administration, gave the Secretary of Defense six new assistant secretaries, and approved tough anti-subversion laws. He invoked security reasons when he okayed U.S. participation in the St. Lawrence Seaway project and when he submitted a staggeringly costly $101-billion highway program to Congress in 1955. On the Seaway, for example, he cited a National Security Council finding that the waterway would be advantageous to the United States (Labrador ore deposits would become more accessible), while the new highways would speed the transport of materials in case of war and enable cities to be evacuated quickly if threatened by attack.



UPI/Bettmann Newsphotos

A government that could put a man on the moon was expected to solve every domestic problem.

Sputnik and Dr. Strangelove

In countless ways, meanwhile, Americans were reminded of their vulnerability—the yellow signs designating bomb shelters, nation-wide Civil Defense tests and air-raid drills in schools, American bombers circling on alert around the clock, the uncovering of spies in key federal agencies, the drama of the McCarthy and House Un-American Activities Committee investigations, Soviet tanks crushing Hungarian freedom fighters, the Soviet Union beating the United States into space with *Sputnik*, John Kennedy's inaugural warning that this is the "hour of maximum danger," the breath-holding, heart-stopping moments when U.S. and Soviet vessels eyed each other during the Cuban missile crisis, Khrushchev's vow to bury us, Mao's boast that "the East wind prevails over

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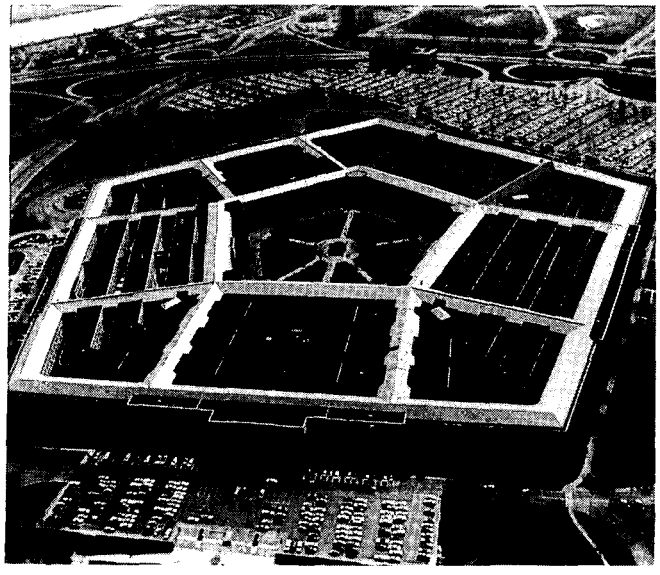

AP/Wide World Photos

It was the Cold War, much more than the New Deal or Great Society, that allowed Washington to become the dominant political force in American life.

the West wind," and even popular movies such as "Dr. Strangelove," "Fail Safe," "On the Beach," "Seven Days in May," and the James Bond series. The message in all of this was the same: America faced a powerful and cunning enemy and was perched on the edge of thermonuclear catastrophe.

That America was intensely concerned about security was chronicled by public opinion polls. In the first two years after the war, in response to Gallup's standard question "What do you think will be the most important problem facing this country during the next year?," the top answer was "inflation." But by spring 1948, heading the list was "preventing war, danger of war, foreign policy, getting along with Russia."

These remained problem Number One for a quarter-century (except for 1963, when 52 percent of the respondents cited "racial problems" as the most important problem). Not until the mid-1970s, with the nation pressed by persistent inflation, surging energy prices, gasoline lines, and other economic maladies, were security concerns toppled from their perch. In commenting on its May 1976 poll, in fact, the Gallup Organization noted that this "will be the first time in 40 years that presidential candidates will take their campaigns to an electorate concerned mainly with domestic problems and not with questions of war and peace."

Reagan's Lesser Evil

Like Eisenhower, Ronald Reagan came to Washington to dismantle it. And, like Eisenhower, Reagan bowed to the terms of the Cold War bargain. Reagan found that his determination to rebuild and modernize America's arsenal was held hostage by those who sought expanded federal involvement in domestic matters. Liberals in Congress adamantly balked at increasing Pentagon funding unless equal or, more typically, fatter increases went for domestic programs. Although already appalled by the size of the federal government and its cavernous deficits, Reagan conservatives collectively gritted their teeth and went along with the domestic-for-defense spending deal. Defeating the Evil Empire, they rationalized, was worth the price of bigger government.

Conservatives, in fact, had long been gritting their teeth as they wrestled with the dilemma posed for them by the Cold War. It had thrust up a pair of near-equally obnoxious and lethal enemies: Marxism and the Leviathan state. Yet, it seemed, only the latter could crush the former.

George Nash, the historian of modern American conservatism, concludes that "by 1955 the contours of conservatism had in some ways changed considerably from those 15 or even 10 years earlier. Global anti-Communism had triumphed over 'isolationism'; the exigencies of the Cold War conflicted, at times, with the tenacious anti-statism characteristic of much of the Right." As a result, conservatives by and large muted their fundamental opposition to huge government so that America could build the arsenal and mobilize the resources to wage the Cold War.

There is probably no more elegant exposition of this dilemma for conservatives than that by a young William F. Buckley Jr. In the January 25, 1952, *Commonweal* he wrote: "The most important issue of the day...is survival. Here there is apparently some confusion in the ranks of conservatives....The thus-far invincible aggressiveness of the Soviet Union does or does not constitute a threat to the security of the United States, and we have got to decide which. If it does, we shall have to rearrange, sensibly, our battle plans; and this means that we have got to accept Big Government for the duration....And if [conservatives] deem Soviet power as a menace to our freedom (as I happen to), they will have to support large armies and air forces, atomic energy, central intelligence, war production boards, and the attendant centralization of power in Washington—even with Truman at the reins of it all."

From Macro to Micro

The "duration" of which Buckley wrote now has ended. Washington, however, is slow to realize this. Bush continues to remind America of his foreign policy skills and repeatedly refers to himself as "commander-in-chief," presumably expecting the title's aura to score points with voters. When it doesn't, he complains, as he did in his June speech in Detroit, that Americans are ungrateful for his Persian Gulf war deeds. Summitry similarly has lost its magic. Even the besieged Richard Nixon, just weeks before he was driven from the White House, stabilized his sinking popularity with his July 1974 Moscow meeting with Soviet boss Leonid Brezhnev. Yet

Now, America can take greater chances in choosing its president and Congress.

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Bush's approval numbers fell even after the fanfare of Boris Yeltsin's visit to the White House in June.

The Cold War bargain took about a decade to strike; negotiating the new bargain may take as long. In these negotiations, America has a chance to return to an updated version of the pre-World War II/Cold War bargain with Washington. The macro foreign and defense issues that have spawned macro government can be pushed far down the priority ladder. Up high can be moved the micro problems of communities and individuals. To deal with these effectively, Americans can insist, in scores of ways, on power devolving from the distant federal center back to localities.

In evaluating candidates for office, meanwhile, Americans can be less forgiving. Members of Congress and the president can be held more accountable on honesty, credibility, and other personal qualities. Americans need not tolerate Washington's arrogance and double standards. The result: new restraints can be imposed on both the Imperial Presidency and Imperial Congress. This new attitude surely accounts for the brushfire spread of efforts to limit the terms of federal and local lawmakers.

How the emerging new bargain will drive policy will take time to discern. America is certain to be cool if not icy to attempts to insinuate U.S. troops in foreign conflicts. More broadly, the new bargain probably will make deficit spending nearly as difficult as it was before World War II and will increase resistance to new federal regulations and meddling.

Clinton's Symbolism

Negotiating the new bargain will force Americans to choose between their growing distrust of Washington and their habit, acquired in the past half-century, to "let Washington solve it" when it comes to thorny domestic problems. The need for making such a choice, largely suppressed during the Cold War, now cannot be avoided. How Americans do this will be the central theme of national political debate and could define both major parties as they head for the next century.

In this debate the conservative voice once again can be unequivocal champions of small government. No longer having to support a massive military establishment, conservatives can redeploy their most formidable artillery—strong philosophical principles rooted deeply in the lessons of history—to besiege the state grown fat during the Cold War.

To be sure, some conservatives will be excessively cautious, reluctant to acknowledge the disappearance of America's global enemy. And a handful of other conservatives may find adjusting to post-Cold War reality particularly awkward because they, peculiarly, have become comfortable with big government and assume that they can tame it to advance pet schemes. In the renewed battle against government, these putative conservatives will have to decide where they stand.

Most unpredictable, probably, is what the emerging new bargain means for this year's presidential and congressional politics. It obviously shifts the odds against incumbents; it devalues the Beltway Insider, the expert who handily used to win debates by incanting Washington jargon and acronyms, and the veterans of Cold War foreign and defense policies. By contrast, it likely will reward candidates who can give voice to the language and icons of a bargain in the process of being renegotiated. Bill Clinton's talk of a "New Covenant" seems to recognize the symbolism of the new bargain. The Bush campaign so far does not.

The Cold War bargain took about a decade to strike; negotiating the new bargain may take as long.

Something out of the ordinary is rattling American politics. These tremors signal much more than the periodic public rumblings for change. They signal the first tectonic shift in America's relations with its capital in a half-century. What the resulting political landscape will look like will depend on leaders who seize the opportunity to channel and influence the public's search for a new bargain.

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Why Johnny Can't Work

The Causes of Unemployment

Richard Vedder and Lowell Gallaway

Whenever high unemployment persists for several years, it is because the costs of labor are rising more rapidly than its productivity. This was true in the 1930s, when the labor policies of Herbert Hoover and Franklin Roosevelt helped turn a temporary downturn into a decade-long Depression. It was true from 1979 to 1982, when the rapid slashing of inflation led to a sharp increase in the real wages of those who remained working. And it is true in 1992, as the minimum wage and unemployment compensation policies of President Bush and the Democratic majority in Congress have priced millions of Americans out of the job market.

Labor can become too expensive for employers in three ways. Most obviously, money wages (including fringe benefits) and/or payroll taxes can increase, without compensating improvements in productivity. Second, prices might fall, increasing the real purchasing power of wages but lowering the monetary value of each worker's output. Third, the productivity of labor may fall, raising unit labor costs as each worker produces less.

Healthy growth in real wages is compatible with full employment—if labor productivity rises sufficiently. Indeed, our nation's economic history is one of generally rising real wages and employment levels accompanied by rising labor productivity. The interludes of high unemployment have coincided with rises in the "adjusted real wage"—the costs of labor minus its productivity.

The Depression That Ended Quickly

Consider, for example, the difference between the 1920–1922 and 1929–1941 depressions. By most measures, the 1920–1922 downturn was initially a more severe contraction than the 1929 one. Industrial production fell by over 30 percent five quarters after the downturn began in 1920, compared with 28 percent over the first five months of the Great Depression. Twelve quarters after the 1920–1922 downturn began, however, industrial production was healthily above the 1920 high. In the Great Depression, by contrast, industrial production 12 quarters into the downturn had declined more than 50 percent. In the Great Depression, unemployment continuously rose for four consecutive years, and recovery to normal levels took another nine years.

Why? In the 1920–1922 downturn, the federal government did not interfere with the working of market forces. The sharp inflation associated with World War I turned abruptly to deflation in early 1920. Prices fell sharply, faster than money wages, pushing real wages up. Some labor was priced out of the market, and unemployment rose sharply. But by late 1921, wages were tumbling faster than prices, and the decline in real wages prompted a rise in employment and an end to the recession.

The failure of the government to act in 1920 partly reflected the classical faith in the self-correcting market mechanism. It also reflected the lack of strong direction in Washington, since President Wilson was seriously ill. His innate activism was tempered by his poor health. The new president in March 1921, Warren G. Harding, was opposed to governmental involvement, but in any case market forces started relieving the problem shortly after he took office.

Hoover's Biggest Mistake

In 1929, by contrast, America was led by a president, Herbert Hoover, who believed that high wages regardless of productivity were the key to prosperity, since high wages increased worker purchasing power and sales. Hoover was not alone in advocating an "enlightened" approach to business prosperity, a proto-Keynesian view that stressed the importance of high wages to maintain purchasing power. The nation's most prominent industrialist, the legendary Henry Ford, constantly preached the need for higher wages. Famous retailer Edward Filene and General Electric president Gerald Swope made similar arguments.

When the nation moved into a downturn in the fall of 1929 after the stock market crash, Hoover behaved in an activist fashion, calling business leaders to meetings

Richard Vedder *and* Lowell Gallaway *are professors of economics at Ohio University; Gallaway is currently visiting scholar at the Joint Economic Committee of Congress. Their article is adapted from their book* Out of Work: Unemployment and Government in 20th Century America, *for the Independent Institute in Oakland, California, and published this fall by Holmes & Meier.*

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at the White House. On November 21 he "jawboned" the DuPonts, Mellons, and other members of America's industrial elite on the importance of keeping wages high. Ford was so impressed that he announced he was going to *raise* wages, saying "Wages must not come down, they must not even stay on their present level; they must go up." Most business leaders and other Americans accepted the high wage policy; not until well into the Depression was there much negative comment about its efficacy. Even as late as 1931, U.S. Steel president James A. Farrell proclaimed that "Those who advocate wage reductions have not stopped to weigh the implications."

A second administration-supported effort, designed in part to protect domestic wages, was the Smoot–Hawley tariff, which took effect in 1930. Trade restrictions violated a basic principle of economics—the efficiency associated with the international division of labor. Higher tariffs also reduced international labor competition, leading to higher wages for American workers. We estimate that this wage effect of higher tariffs caused perhaps 20 percent of the rise in unemployment observed between 1929 and 1933.

Hoover's high wage lobbying worked. Wages fell, but they remained 8 percent higher than they would have if they had followed the pattern of recessions earlier in the century. Prices actually fell more than wages, so real wages rose significantly in 1930 and early 1931. Increasing numbers of workers were priced out of labor markets, and unemployment rose steadily from 3 percent in 1929 to a still-moderate level of 7 percent in mid-1930 to 28 percent in March 1933.

The high wage policy meant firms were paying far more than normal in labor costs, leading to a flood of red ink. By mid-1930, a majority of firms were not earning enough to cover dividend obligations. The ravaging of business balance sheets set the stage for the next phase of the downturn, converting a recession into a depression. As profits fell, firms found it increasingly difficult to meet their debt obligations to banks. Real wages rose even more with the banking crisis that began with the flight of deposits in fall 1930. The failure of banks lowered the money supply and the level of prices, and raised real wages further in 1931 and into 1932. Higher real wages, in turn, aggravated the rising unemployment. The failure of the Federal Reserve to stem the ensuing fiasco by serving as a "lender of last resort" to faltering banks added to the public policy failures of the era, as did a major "rob the rich" increase in the federal income tax in 1932.

The Depression, then, resulted not from a failure of markets to adjust to changing demand and supply conditions, but from Hoover's activism in maintaining high wages, accompanied by other public policy failures. The contrast to 1920–1922 is vivid: with a do-nothing government, a severe recession was over in slightly over two years; with an activist government, the country endured nearly four years of ever-greater unemployment.

FDR Compounds Hoover's Errors

The mistakes of Herbert Hoover were compounded by his successor Franklin Roosevelt, who was inaugurated in March 1933. At first, FDR's reassuring rhetoric and

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The Twenties roared after real wages were held in line during the bust of 1920–1922.

the 1933 bank holiday gave an important short-term psychological boost to the economy. Unemployment fell by five points (from 28.3 to 23.3 percent) between March and July 1933; it appeared that recovery was finally getting under way. Yet the promising early recovery stalled, and unemployment in mid-1935 was only slightly lower than in the summer of 1933.

The reason for this reversal is that New Deal policies intended to raise wages offset the positive gains from rising depositor confidence, labor productivity, and prices. Using a broad-based measure of wages, we estimate that real (inflation adjusted) wages rose over 2 percent a year from 1932 to 1940—a larger increase than the long-term average increase in American history resulting from productivity growth. Blue collar-wage increases were significantly larger. Despite high unemployment, wages were rising at historically high rates.

The National Industrial Recovery Act, passed in June 1933, effectively dictated a 40-cent-an-hour minimum wage for most firms at a time when the average wage in the private sector was about 45 cents. Following a Hoover-like strategy of trying to boost purchasing power, the NIRA caused factory wages to rise by over 20 percent in barely six months, putting a big damper on the employment growth that had begun in March 1933.

In 1935, the Supreme Court found the NIRA unconstitutional, ending a major upward bias in wages. The benefits of this development were eventually offset by the National Labor Relations (Wagner) Act of 1935, but for nearly two years that legislation was inoperative pending a review of its constitutionality. With the shackles of the 1933 minimum wage legislation removed, and the pro-union Wagner Act in abeyance, unemployment fell steadily. By the spring of 1937 unemployment had fallen to 13 percent, down from 21 percent in late 1935. At last, it seemed the Depression was ending; in Europe it was already over in most countries.

In April 1937 the Supreme Court declared the Wagner Act constitutional, unleashing a flood of organizational activity in major industries. Many steel and auto companies capitulated almost instantly to trade unions. Amid double digit unemployment, average wages rose 11.6

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percent in 1937, with larger increases in industries where unions signed labor contracts. Not coincidentally, the economy stopped growing, and even went into another downturn, sending the unemployment rate to above 20 percent by the spring of 1938.

The major New Deal wage shocks had occurred by late 1938, and the market successfully began digesting them. The new wage-enhancing Fair Labor Standards Act, another potential wage shock, mercifully was being phased in over several years. Unemployment fell steadily as wage increases moderated and were overcome by productivity advances and some increase in prices. Conventional wisdom states that World War II ended the Great Depression, but most of the reduction in unemployment between 1938 and 1944 occurred before Pearl Harbor.

The New Deal left other legislative legacies that greatly affected wages in the longer run. The Social Security Act forced employers to finance a payroll tax that added to labor costs, and the Fair Labor Standards Act established a federal minimum wage law. The unemployment compensation system raised the reservation (minimally acceptable) wage of the unemployed, imparting an upward bias to wages.

Higher labor productivity is the only way to raise real wages without destroying jobs.

Without increased unionization, and the new unemployment compensation and Social Security systems, we estimate that the 1937 unemployment rate would have been about 8 percent instead of the 14.3 percent recorded; by 1940, the unemployment rate would have fallen to about 6 percent (instead of 14.6 percent).

The Postwar Downturn That Never Came

World War II seemed to prove the validity of demand-side, Keynesian policies. The government stimulated aggregate demand as never before, with the budget deficit reaching about 20 percent of national output while the unemployment rate fell below 2 percent for three consecutive years, a first in American history.

Leaders of the new Keynesian orthodoxy were terrified that the end of the war would mean a massive decline in government spending, a shift from fiscal stimulus to a contractionary fiscal policy, and consequently massive unemployment. In 1945, Keynesian economist Robert Nathan predicted double-digit unemployment as demobilization proceeded, and many other economists similarly expected unemployment to return to the 10–14 percent range.

Alvin Hansen, the dean of American Keynesians, said that "the government cannot just disband the Army, close down munitions factories, stop building ships and remove all economic controls." But that is exactly what happened. The nation cut federal employment by 10 million in 12 months, moving from a massive budget deficit to a huge budget surplus. What happened to the unemployment rate? It rose, but to under 4 percent. The postwar depression never came.

Again, the explanation is that the real wage, adjusted for productivity change, actually fell, largely offsetting the potential rise in unemployment arising from soldiers coming home and munitions factories shutting down. The after-the-fact Keynesian explanation is that "pent-up" demand prevented a big downturn. While the nation indeed badly wanted consumer goods, the resumption of full domestic production came long after the labor market completed the huge postwar transition, creating, for example, millions of new civilian jobs between mid-1945 and mid-1946.

The postwar recovery was aided by a removal of wartime wage and price controls. Wages rose, but less rapidly than prices, and the adjusted real wage fell. Profits of American business rose, and the large amounts of funds available for investment kept interest rates low, stimulating a private investment spending boom. No major government public works or jobs programs were begun—the postwar transition was a great tribute to the powers of the labor market.

Illusions of the Sixties

The heyday of Keynesian orthodoxy in the United States was in the first generation following World War II. In no year did the unemployment rate average as much as 7 percent, and over the whole generation it averaged less than 5 percent. Economists began to think that they had eliminated business cycles. As is so often the case with that profession, they were wrong.

While Keynesian rhetoric captured the hearts and minds of professional economists, by some measures policy-makers were less activist in the late 1940s and 1950s than in the preceding two decades. Harry Truman and Dwight Eisenhower were the last American presidents to reduce the per-capita public debt. The period from 1947 to 1961 was not an era of Keynesian-style fiscal policy activism. There was even some retreat from the intensive labor market interventionism of the previous decades. The Taft–Hartley Act of 1947 (and to a lesser extent the Landrum–Griffin Act of 1959) reduced the power of labor unions somewhat. Although it was not recognized at the time, by the late 1950s labor union membership was falling relative to the total labor force. Federal jawboning of employers to keep wages high had ceased, and markets had adjusted to the wage-enhancing bias of earlier New Deal legislation.

The 1960s were hailed at the time as the successful demonstration of the effectiveness of Keynesian demand-management policies. Unemployment fell consistently during the decade. Economists began urging policy-makers to move up the newly discovered Phillips curve, using inflationary fiscal stimulus to stimulate employment. Lyndon Johnson led America roughly simultaneously into a major tax reduction, Great Society spending programs, and the Vietnam war. Fiscal stimulus was extremely strong, it seemed to work, and the 1968 unemployment rate stood at half the recessionary level

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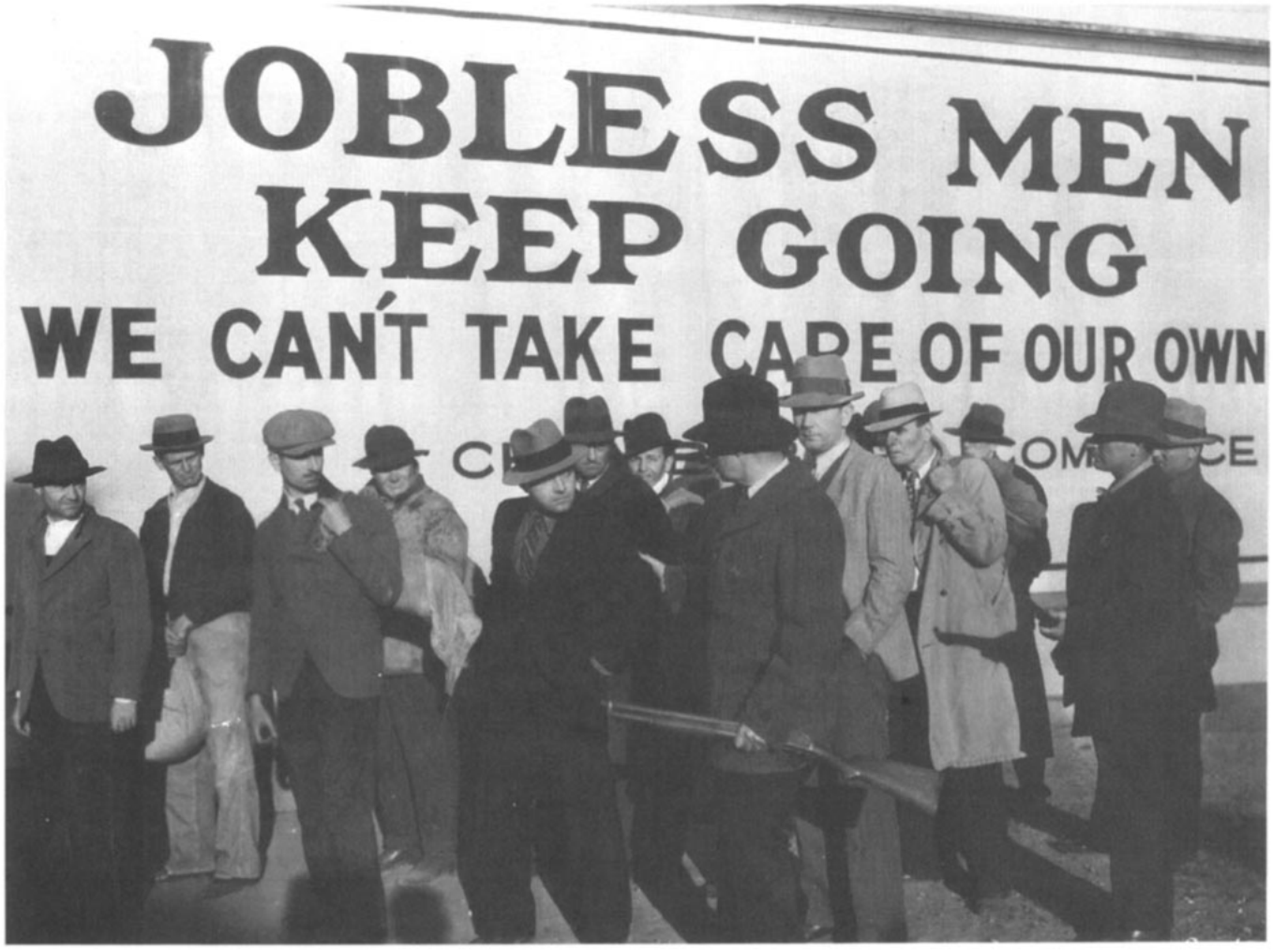

The high-wage policies of Hoover and FDR turned a downturn into a decade-long depression.

recorded at the beginning of the decade. Increases in the rate of inflation approached the growth in money wages, so real wage growth was moderate in this era. After adjusting for robust productivity growth, real unit labor costs fell, stimulating employment.

However, the successes of the 1960s laid the groundwork for 1970s stagflation. In the 1960s, Americans were fooled by the unexpectedly high inflation. After all, deliberate policy to raise prices was new in American economic history. Workers were afflicted with "money illusion," accepting lower real wages than they normally would have. By the late 1960s, however, workers had shaken off their money illusion, and demanded larger wage settlements. Hourly compensation costs rose over 7 percent a year, compared with just under 4 percent in 1963, the year Lyndon Johnson was inaugurated.

Stagflation in the Seventies

The expansionary monetary and fiscal policies of the Great Society era led directly to the stagflation of the 1970s. During that decade, the average unemployment rate rose to over 6.2 percent, from under 4.8 percent in the 1960s. At the same time inflation increased, and for the first decade in American history the government ran budget deficits every single year, accompanied by unprecedented monetary expansion. In three consecutive years, 1975–1977, the stock of money (M2) grew more than 10 percent a year, a peacetime record. The macro stimulus did not work in achieving growth and full employment.

The Keynesian economics establishment used the OPEC-imposed oil price shocks of 1973 and 1979 to explain the stagflation of the era. There is no doubt that higher oil prices hurt the American economy. Yet there were clear signs of stagflation beginning well before the first oil shock; the "misery index" (the sum of the unemployment and inflation rates) was 10 in 1972, compared with 6.8 just five years earlier; both the unemployment and inflation components were rising long before the Arab oil boycott of 1973.

Moreover, labor costs were escalating because of two interrelated phenomena: higher taxes and regulatory expenses, and a decline in labor productivity growth. The Johnson–Nixon era of huge entitlement programs raised the reservation wage of low-income Americans. They became more picky about taking jobs, given the increasingly generous package of welfare benefits, including such new programs as Medicaid and Food Stamps. Rising Social Security taxes and minimum wages (including expanded coverage) likewise boosted employer labor costs.

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The inflation also raised effective tax rates, owing to the progressivity of federal income taxes. Taxes on capital rose to near confiscatory levels (particularly capital gains taxes, which were levied on largely fictitious inflation-induced "gains"), so capital formation slowed, lowering productivity growth. Although that growth slowed for other reasons as well (*i.e.*,the influx of new inexperienced workers and the effects of the oil price shock on the usability of energy-intensive capital resources), government policy had to share in the blame for a rise in the adjusted real wage.

Surrounded by Keynesian advisers who were ignorant or contemptuous of the earlier classical tradition, Jimmy Carter continued to battle stagflation with policies of demand stimulus. The government increased spending substantially, and deficits were heavily monetized by a compliant Federal Reserve that purchased newly issued debt, thus expanding the supply of money but not the supply of goods, and fueling inflation. Inflationary expectations soared among workers and lenders, who demanded and received big wage increases and high interest rates. The nadir for the economy came in 1979–1980, when inflation reached double digits for the first non-war-related time in American history, while unemployment exceeded 7 percent. The misery index, which had typically hovered around five in the heyday of classical economic policies (1900–1929), and had still been in the single digits during the Kennedy–Johnson era, now approached 20.

The Reagan Boom

Enter Ronald Reagan and Paul Volcker. At the time of their arrival on the national policy stage, conventional economic wisdom was that there was a "core inflation" rate of perhaps 8 percent a year that could not be reduced at any time soon. An industrial policy was also increasingly advocated by those who felt the national economic malaise came from a lack of central direction.

The decline in the adjusted real wage in the 1980s led to the creation of 20 million jobs between late 1982 and the spring of 1990.

Volcker's move to a more restrictive monetary policy was somewhat erratic, but by focusing on controlling the stock of money the Fed contributed to a significant cooling in the rate of inflation. The annual inflation rate, which averaged around 12 percent in 1979 and 1980, averaged only slightly over 6 percent in 1981 and 1982. Yet the inflationary expectations of workers and unions lagged behind the actual decrease in the inflation rate. In order to protect themselves against what was incorrectly perceived to be nearly double digit inflation, workers demanded (and got) large money wage increases in 1981 and into 1982. Money wages began to rise faster than prices, pushing real wages up. For example, in the first quarter of 1982, hourly labor costs were rising at an annual rate exceeding 7 percent, while the annual inflation rate had fallen to under 2 percent. This caused the 1982 recession.

Market forces ended the recession about a year after it began. Wage increases shrank, and by the second half of 1982 real wages began to fall, increasing labor's appeal, and beginning the largest recorded peacetime expansion in American history. During the remainder of the 1980s, money wage increases typically were only roughly equal to the rate of inflation, while labor productivity rose. The result was that labor costs of employers fell slowly but steadily per dollar of sales.

Why? After the high unemployment of the 1982 recession, American workers were more willing to sacrifice large real wage increases in order to improve job security. Labor unions became weaker and less militant, and public opinion was distinctly less pro-labor than in earlier decades. President Reagan's symbolically important 1981 firing of air traffic controllers after an illegal strike would have caused a public uproar in the 1940s or 1960s, but it was actually well received by a majority of the public. Unions represented 20.1 percent of employed wage and salary workers at the beginning of the economic expansion beginning in 1983, but by the end of the 1980s, the proportion had fallen steadily to 16.4 percent.

The 1981 tax cut may have also contributed to the moderation in wage demands by American labor. With tax reductions, the disposable income associated with any given wage rose. Workers whose before-tax real wage remained constant over time nonetheless received some increase in remuneration for their work effort because of the tax cut.

Deregulation in some cases worked to keep wages from rising. Until the late 1970s, for example, air fares and airline employee wages were relatively high because of government-enforced monopoly practices. The introduction of competition through fare and route deregulation led to lower ticket prices, forcing some airlines to successfully demand wage concessions from workers in order to keep labor costs under control.

The decline in the adjusted real wage in the 1980s led to the creation of 20 million jobs between late 1982 and the spring of 1990, in marked contrast to Europe and Japan, where job creation was comparatively anemic. The hands-off approach of the federal government during the Reagan years reduced policy-induced shifts in the adjusted real wage and the resultant unemployment instability. The decline in the real minimum wage in the 1980s (the hourly minimum wage stayed constant at $3.35 while prices rose) was only the most obvious of several policy decisions that reduced upward pressures on money wage increases.

The Current Recession

According to conventional wisdom, the 1990 recession began with Saddam Hussein's invasion of Kuwait in August. While the surge in oil prices accompanying Saddam's adventure hurt the American economy, the

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seeds of the recession were sown earlier with a rise in money wages. Hourly wage costs, including benefits, rose less than 4 percent annually in the 1987–1989 period. In the first quarter of 1990, however, they increased at a 5.8-percent annual rate, followed by an extraordinary 9.2-percent annual growth in the second quarter—before the Persian Gulf War began.

What caused this sudden surge in money wages? An important factor was the increase in the minimum wage. After holding steady at $3.35 an hour for over nine years (the longest period in the history of that wage without an increase), on April 1, 1990, the rate was increased by 13.4 percent, to $3.80 an hour. The rise in the minimum also had a shock effect on the rest of the labor market, as wages rose among employers who felt obliged to pay more than the minimum. Real gross domestic product, which grew at a 2.8-percent annual rate in the first quarter of 1990, actually fell at a 1.6-percent annual rate by the third quarter.

The recession caused by higher wages was worsened by the rise in oil prices. Markets soon began to adjust, however, offering promise for recovery. Money wage growth slowed sharply; by the first quarter of 1991, wages were growing 2.7 percent on an annual basis. Yet recovery was at least partially aborted by a second wage shock, when the minimum wage went up again, this time by 11.8 percent to $4.25 per hour, pushing wage growth in the second quarter of 1991 to nearly 5 percent on an annual basis. The new minimum wage in April 1991 was higher than what a majority of teen-age workers were making in 1989. The legally mandated wage explosion among unskilled workers helped create the 1990 recession, contributing to the stagnation in the economy over the past two years.

Aggravating the wage explosion was the decision of the Congress and President Bush to extend unemployment insurance benefits on three occasions. When prolonged benefits are provided, the "reservation wage" of the unemployed rises—the minimum wage at which they will accept a job and go back to work. With extended jobless benefits, the unemployed become finicky about jobs they are willing to take, increasing the average duration of unemployment and thus the overall unemployment rate.

The 1990 recession could have been prevented, or at least ended more quickly, had productivity risen in line with the wage increases. Yet labor productivity languished. Whereas output per hour worked rose at a respectable 1.66-percent average annual rate from 1982 to 1988, it was essentially unchanged from 1988 to 1991—in part because of the growing regulatory burden of the Bush years.

The Unhappy Legacy of Federal Intervention

Early in the 20th century, the median annual unemployment rate was lower than 5 percent. This was still largely an era of laissez faire policy, when the federal government in most years spent less than 3 percent of gross national product, and interference in labor markets was small. In the decades of the 1970s and 1980s, by contrast, the median annual unemployment rate was 6.6 percent, nearly one-half higher than the median rate in the earlier period. Yet the latter period saw substantial government efforts to reduce unemployment. The increased modern unemployment was not caused by a lack of demand stimulus. On the fiscal policy side, every year had a budget deficit, and government spending rose as a proportion of national output. Regarding monetary policy, in nearly two-thirds of the years, the stock of money (M2) grew more than 8 percent, high by historical standards.

What happened? The normal rate of unemployment went up, in part because of the "Law of Unintended Consequences." Unemployment insurance programs reduced the intensity of job search and raised the reservation wage among the unemployed, increasing unemployment. The expansion of coverage under the minimum wage laws priced some unskilled labor out of the labor market.

Between 1977 and 1992, Social Security and related federal payroll taxes rose from 11.7 percent to 15.3 percent of wages, creating more upward pressure on the adjusted real wage. Similarly, workers' compensation costs as a percent of covered payroll nearly doubled between 1970 and 1990.

The new minimum wage in 1991 was higher than what a majority of teen-age workers were making in 1989.

A host of new federal regulations added to what economists call structural unemployment. Environmental legislation forced coal mines to close. Safety legislation in some cases reduced productivity, forcing up the adjusted real wage. Soaring fringe benefit-labor costs reflected perversities in tax laws, and the impact of governmentally financed health care services on demand, and thus medical costs. Well-intentioned policies had unforeseen results.

Boosting Productivity

In some respects, the 1990s to date resemble the 1930s, albeit on a much milder scale. In the 1930s, whenever markets started to eliminate unemployment, government-induced wage shocks prevented recovery. Similarly, the minimum wage shocks of the early 1990s, along with other wage-increasing or productivity-reducing laws, have led to a sub-par economic performance. Given both the past record of George Bush and some of the campaign rhetoric of Bill Clinton—support for indexing of minimum wages and large mandated fringe-benefit increases in the health area—we are not sanguine about a return to the employment growth of the Reagan era, a period relatively devoid of government-induced wage shocks.

Employment stagnation is particularly acute in

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periods of low productivity growth. Workers expect and want some increase in their standard of living over time. In a stagnant economy without productivity growth, higher real wages are possible only by pricing abnormally large numbers of workers out of the market. A trade-off evolves: higher wages or higher employment. The key to avoiding this tradeoff, improving living standards and job opportunities simultaneously, is increasing the productivity of American labor.

History and the weight of economic theory suggest that we need to do three things to our human, capital, and natural resources to enhance productivity: enlarge them, improve them, and permit them to move. Increases in the ratio of capital to labor are fundamental to economic progress—giving workers more tools to work with (including skills and knowledge). Just as fundamental, technological change provides new and better ways of combining resources to obtain more output. Finally, history shows that a productive nation is one in which resources are able to move in response to better opportunities.

During America's rise to world economic preeminence early in this century, more than 20 percent of national output was devoted to capital formation, compared with about 16 percent today. The decline in net capital formation, which allows for depreciation, has been even more dramatic. Our investment levels are below those of Europe and industrial Asia, in large part because incentives to save and invest have been eroded by punitive tax policies and regulatory takings. Our educational expenditures have risen but true per capita human knowledge has probably fallen, reflecting the inefficiencies of a socialistic educational delivery system.

America's perversely high capital gains taxes dramatically reduce incentives to innovate as the rate of return on capitalized human ingenuity is reduced. (The recent reversal of the Reagan-era marginal income tax rate reductions also dampen entrepreneurial incentives.) Restrictions on mobility in the form of plant-closing notification laws, protectionist trade restrictions, and limits on immigration have prevented resources from flowing to their best use. The goal of simultaneously raising living standards and job growth requires a growth-oriented public policy that increases incentives to form, improve, and move capital and human resources. Attempts to raise wages by legislative fiat reduce job opportunities and ultimately do nothing to raise the American standard of living. The lesson of 20th-century economic history is that higher labor productivity is the only way to raise real wages without destroying jobs.

Solving America's Budget Crisis

If Washington is serious about controlling federal spending, it need look no further than the myriad of studies written by Heritage Foundation specialists.

With the U.S. economy at a standstill, a forum on how to restore economic growth and consumer confidence would be of timely interest. Heritage specialists have developed "A Prosperity Plan for America," which calls for cutting taxes, eliminating unnecessary regulations, and slashing porkbarrel and other wasteful spending from the budget. Their commentary on these issues has appeared in *The Wall Street Journal, The New York Times,* and many other publications.

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Let Congress Be Congress

An Agenda for Legislative Reform

David M. Mason

Everyone agrees that Congress needs to be reformed. Around 150 new representatives, a third of the House, are likely to be swept into office this November on the reform wave. Many are running explicitly on reform platforms. Even the incumbents have approved their own tepid plan for a commission to look into some internal changes. But there is too little agreement about what is wrong in the first place: gridlock, huge deficits, pork, avoiding important issues, and a self-interested attitude are some of the frequent complaints. The root problem is that the United States Congress is a legislature that has stopped legislating.

Take, for example, Congress's approach to transportation. The 1991 highway bill was a monument to pork-barrel politics and congressional self-promotion. One Senator's father had a boat ramp named after him. Localities in Tennessee, Ohio, and Wisconsin got new bicycle paths, and the Staten Island Ferry hauled in an extra $2.7 million. At least two representatives brought home over a quarter of a billion dollars in grants and subsidies for their districts. The bill was a monument to complexity as well: 298 pages of small print text with a 186-page report adding more details.

Compare this with the bill that created the interstate highway system. The Federal Aid Highway Act of 1956 was a mere 32 pages. The section describing how the interstate highways would be funded and built took up only 11 pages. No state, county, or locality was mentioned in the bill. Yet the 1956 Act revolutionized America's transportation network. There is little danger that anyone will make a similar judgment about the 1991 transportation bill 35 years from now: $150 billion will have been spent for little return.

When Congress is not enmeshed in detail, it tends to be lost in generality. The Americans with Disabilities Act (ADA), for instance, requires "reasonable accommodations" for disabled workers as long as this poses no "undue hardship" for the employer. But Congress refused to define these terms more explicitly. Thus regulatory agencies and the courts will make the real law. Congress effectively is turning over its legislative chores, and power, to someone else.

The 1991 Highway Bill represented not a law, but a series of administrative decisions. The ADA embodies good intentions with very few guidelines as to how those wishes are to be accomplished. Congress takes these approaches because members want to control details while avoiding tough decisions. Real legislation is just the opposite: combining precise meaning with general applicability. The rule of law means nothing if the law is so detailed that it applies differently in every place and circumstance, or so vague that one cannot know beforehand what constitutes a violation. Yet Congress is denying Americans their fundamental rights to equal treatment under clearly understandable law. Congress loses as well from this abdication of its legislative responsibilities, for what is gained in detail and warm feelings is lost in the ability to act decisively on major issues.

Yardsticks for Reform

The high proportion of time Congress devotes to non-legislative activities is equally counter-productive. Micromanaging executive agencies ensnares Congress in iron triangles with bureaucrats and special interest groups, robbing lawmakers of objectivity. Making a wholesale business of constituent service is helpful at election time, but diverts attention from larger issues, and creates the perverse incentive to ignore systemic problems. Pursuing disputes through investigatory hearings and independent counsels poisons public debate, making it more difficult to explore and settle legitimate policy differences. The result is that congressmen have become elected superbureaucrats: ombudsmen, micromanagers, and prosecutors.

To achieve real reform, Congress will have to stop doing a lot of what it does today. This is not to say that the President should run the show: quite the opposite. Today Congress gives sweeping grants of legislative power to executive agencies and then attempts to micromanage what those agencies do. A sharper distinction between the legislative and executive roles is

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needed. Give the president complete control over the discretionary actions of his agencies, and Congress will be far less willing to hand over its legislative powers. The power of executive agencies would be reined in and legislative decisions would be made on Capitol Hill.

The result would not be a continuation of partisan gridlock, but its elimination. Real legislation avoids gridlock because there are clear winners and losers. A bill passes or it doesn't; it is signed or vetoed; a veto is overruled or sustained. Today's laws often merely initiate extended regulatory struggles, leaving factions in a standoff, and producing increasingly vitriolic and pointless debates.

Some reforms of Congress are more important than others. Structural reforms will be most useful if they encourage legislation and discourage non-legislative activity. Procedural reforms will be most useful if they foster clear decisions on big-picture issues. Several reforms clearly meet these tests.

Term limits. Legislators are interested in pork because it helps them get reelected. They are interested in administrative details because long tenure promotes narrow specialization. Term limits would end congressional careerism, encouraging attention to larger legislative issues. By changing the concept of the legislator's role, term limits are probably the most effective single reform for Congress, and a precondition for other changes.

With a career Congress, voters face a dilemma: they do not like paying taxes to Washington and getting them back in the form of pork and entitlements, but as long as the system is rigged, it makes sense to vote for the incumbent in order to maximize their own take. Congressmen face a dilemma, too: take the easy road to reelection or face the often difficult choices of balancing local and national interests. Take away the career mindset, and both representatives and voters can make choices based on philosophy and the merits of each case.

Congress is denying Americans their fundamental rights to equal treatment under clearly understandable law.

Ideally, legislators in a democracy are not professionals, but, as Olympic athletes of yore, skilled amateurs. They must be somewhat detached from governing and far more attached than they are today to the communities they represent. They must feel a stake in returning, not only to where they once lived, but to what they once did for a living. Even if term limits result only in a cadre of professional politicians rotating among state, local, and federal offices, limiting tenure in Washington would help maintain links between legislators and the communities they represent.

Given the likelihood of historic turnover in the House of Representatives, some ask whether term limits are necessary: aren't we already throwing the bums out? Despite the turnover this November, at least two-thirds of the House and an even higher percentage of Senators will be returning. Twenty-, 30-, and even 40-year incumbents remain in key positions where they can frustrate reform and tame the reformers. More important, unless incentives change, idealistic new members will be lured, some slowly and some more quickly, into the same paths that have produced today's problems. Even before they take office, every one of the new representatives elected on a reform platform will be admonished to study the constituent service handbook. Under the current system, those who do so are likely to stay, while those who devote their energies to ultimately more important topics run a far higher risk of not being reelected. Thus, the errand boys and time servers endure, and all too many of the idealists leave.

Session limits. An important reform that might follow term limits is a limit to the amount of time Congress can meet annually: the number of days spent in Washington may be more damaging than the number of years. Congressmen should return, even if for only a few months each year, to their own communities and occupations, not as weekend tourists, but as colleagues of their constituents. By replacing the existing three-day work week with a five-day schedule, Congress could compress their year-round sessions into six months of honest work. A definite conclusion to sessions will also communicate to congressmen that they are representatives rather than managers of the permanent bureaucracy. Reversing the tide of ever longer sessions will require reform of conflict of interest laws, but the goal is a worthy one.

Staff cuts. As a remedy for congressional ills, staff cuts rank just behind term limits. Reducing the size of congressional staff would have productive effects in many areas: reducing incumbent electoral advantages; trimming the length and complexity of legislation (and encouraging legislators to read it); cutting the volume of midnight deals in conference sessions and committee reports; and limiting improper interference with regulatory and other executive branch functions. In short, getting rid of some of the help will force the elected officials to do their job: legislate.

To make a real difference, the cuts need to be large. Bill Clinton has proposed a 25-percent cut, a proposal his congressional party failed to rally behind. President Bush should raise the bid. House Republicans have proposed a 50-percent cut in committee staff, a palatable proposal for them since they are dramatically shortchanged in committee staff allocations. Committee aides, however, represent only 10 percent of all congressional employees. Cutting the House committee-staff numbers in half would reduce the overall congressional payroll a paltry 3 percent.

Besides, committee staffers actually help with legislation part of the time. A congressman's commitment to cutting staff can be judged by his willingness to cut staffs

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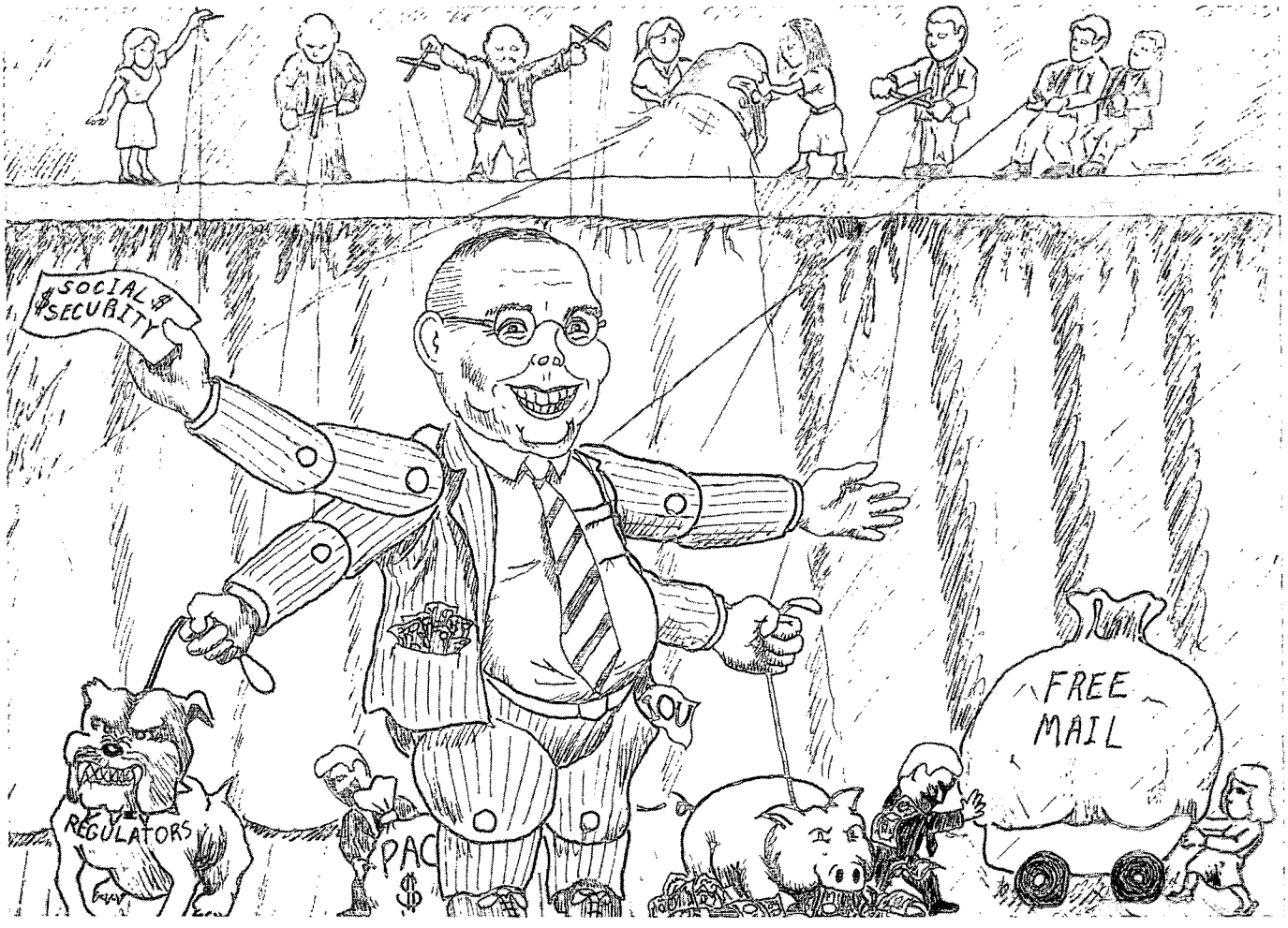

Drawing by Steve Schwalm for *Policy Review*

Anything less than a 25-percent staff cut won't be enough to get congressmen out of the casework and micromanagement business.

under his own control. Not that proponents of staff cuts should be required to cut unilaterally, but congressmen's personal staffs should be cut along with committee and support staff. The objective of staff cuts is to force Congress to reassess how it operates and to change its behavior. Anything less than a 25-percent across-the-board cut won't be enough to change the way congressmen conduct casework or micromanage executive agencies. Even larger cuts would improve the operations of Congress by streamlining and forcing Congress to concentrate more on its essential legislative tasks.

Balanced budget amendment. A constitutional amendment is the only way to bring discipline to congressional spending. The 1974 Budget Act, which governs congressional budget decisions, has proven to be a machine to increase spending rather than a tool to control it. The Budget Act consists primarily of internal congressional rules, rather than statutes, so the few restrictions that do exist can easily be violated. Most notably, the annual Congressional Budget Resolution is not a law, and thus cannot be vetoed or signed by the President, making the budget process Congress's most outrageous non-legislative exercise.

A constitutional amendment would force Congress to come up with a procedure that works. It is by no means impossible to design a system that either automatically limits spending or forces Congress to make difficult decisions. In fact, two different versions of Gramm–Rudman (which altered the 1974 Budget Act) were quite effective; but when the limits began to pinch, Congress simply changed the rules. The most flawed of those changes, made in the 1990 budget deal, reinforced the "current services baseline" system of automatic spending increases: no votes are required. Indeed, any limitation in the growth of these bureaucratic wish lists is advertised as a spending "cut."

Most of the arguments against a balanced budget amendment just don't wash. We are told, for instance, that the ratification and phase-in period simply postpones action to balance the budget. This argument might have some merit if Congress were making progress in that direction, but aside from Gramm–Rudman, nothing has worked even to limit deficit growth in the last 20 years. Others predict dire consequences when Congress is forced to choose between huge tax increases and draconian spending cuts. This is a congressional version of the "Washington Monument ploy": politically popular programs are the first offered for cuts. Voters do not object to a choice between spending cuts and tax increases. It is congressmen, who would have to make such decisions and then be held responsible, who find the

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Ideally, legislators in a democracy are not professionals, but, as Olympic athletes of yore, skilled amateurs.

alternatives daunting. The overwhelming majority of states have balanced budget requirements. From time to time, those requirements have forced unpleasant choices, but nowhere has it proved impossible to live with such budget discipline.

One thing that is not needed is the coupling of a balanced budget amendment with an automatic tax increase provision, as was proposed by the House Democratic leadership when the amendment came up for a vote last spring. Given the choice between voting to cut spending—and taking the heat—or failing to act, thereby triggering an "automatic" tax increase which each legislator can disavow individually, Congress will choose the tax increase every time.

The congressional proclivity for tax increases demonstrates the need to include a tax limitation provision in the balanced budget amendment. A requirement for a 60-percent majority to approve any tax increase was included in the Kasten–DeLay version of the balanced budget amendment. In any case, enforcement procedures under a balanced budget amendment should require votes and real legislation rather than automatic devices, which encourage legislative stalemate. If a fail-safe mechanism is necessary, it should be in the President's hands, which would provide a strong inducement for Congress to legislate rather than abdicate.

Enhance the President's role in setting the budget. The President submits a budget to Congress in January and has no further say in determining overall taxing and spending levels. He can influence those only by vetoing individual spending bills. Making the Concurrent Budget Resolution, which sets spending and revenue targets, subject to presidential approval or veto would probably result in lower overall spending and taxation levels. The president's broader constituency lends itself more to those broad concerns than to interest in individual programs. Further, setting spending targets by statute would make it far more difficult for Congress to circumvent the limits. Doing so would require a change in the law, signalling the public that the budget was about to be busted, and giving the president an opportunity to veto the increases. Coupled with a statutory budget resolution, the president's authority to withhold ("impound") spending in excess of legally approved levels should be restored. These reforms could follow or precede a balanced budget amendment.

Line-item veto. A presidential line-item veto would help limit spending, though it is far less helpful in this regard than a balanced budget amendment. (Unfortunately presidents are little more willing than Congress to take the heat for necessary but unpleasant spending cuts.) More important, an item veto would allow the president to limit unreasonable congressional encroachments on executive authority, and would enable him to excise pork-barrel projects and special-interest deals concocted by committee chairmen, or even staffers, against the will of the congressional majority. This would greatly limit the degree to which conference committees, for instance, could approve unpopular provisions in unaccountable secrecy. While the Founding Fathers did not write an item veto into the constitution, it is obvious that they did not contemplate the huge and complex omnibus bills that have become so common today. Again, state experience is instructive. The vast majority of governors have an item veto, and its presence has not irreparably harmed the balance of power between the executive and legislative branches.

Congressional coverage. Congress exempts itself from most civil rights, worker safety, and environmental laws. The attitude of being above the law corrupts the legislative process at its heart. Many incumbents argue that Congress must be exempt from the law so as not to fall under the control of the executive or judicial branches. This makes no more sense than saying that Congress should not be allowed to pass legislation affecting judges or cabinet members, lest those officials become subservient to the legislature. Separation of powers means that Congress makes the laws, not that it is exempt from them.

In fact, the separation of powers doctrine dictates that Congress keep its hands off the administration and adjudication of laws. More narrowly, congressmen cite the constitution's protection against their being questioned outside of Congress for their speech and debate there, but congressional speeches are rarely the issue. Members and employees are required to present subpoenas to the House or Senate. If Congress believes an investigation is political, it can interpose its institutional prerogatives at that point, rather than declaring before the fact that congressmen are above the law. There may also be a case for different treatment of employees with legislative responsibilities, who represent a minority of all Hill workers. The treatment of political appointees in the executive branch is an appropriate model here. Those

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appointees are covered by all the laws applying to other executive branch employees, but they can nonetheless be fired, with no practical appeal, for policy reasons or violations of confidence.

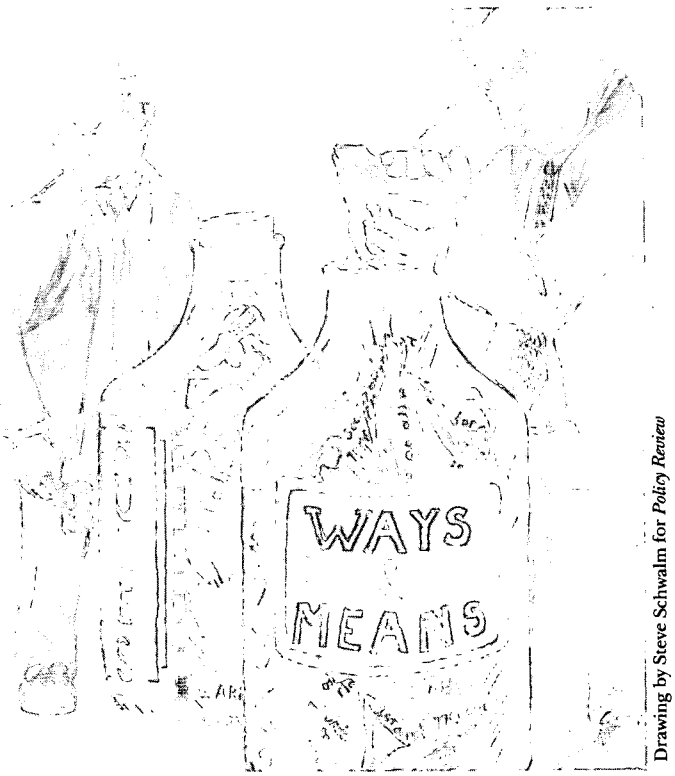
In most cases, of course, there is no constitutional issue in applying the law to Congress. It is difficult to see, for instance, what constitutional damage would be inflicted by OSHA inspectors visiting congressional offices. Congressman John Boehner of Ohio invited just such an inspection of his office on a voluntary basis in the summer of 1992, uncovering numerous violations of worker safety standards. In fact, most of the OSHA "violations" were clearly insignificant, proving Boehner's point that making Congress subject to the laws it approves would provoke more attention to the problems a well-intentioned law may present. More important, making Congress live under the laws it passes would drive home a point that too many legislators have forgotten: they are not our rulers, but our servants.

Congress should adopt a blanket congressional coverage statute, and House and Senate rules should require all legislation to cover Congress unless there is a specific recorded vote to the contrary. If Congress insists on maintaining its own enforcement offices, as some executive branch agencies are allowed to do, then it should use enforcement standards identical to those used in other government agencies to provide an objective standard for measuring congressional compliance. Court appeals must be allowed, and, most especially, congressmen should not be permitted to escape jury trials. With a jury, Congress is subject not to another branch of government but to citizens. Businesses fear unpredictable verdicts in lawsuits as much as the specific requirements of regulatory legislation. It would be productive for Congress to contemplate the same possibility when crafting vague laws.

Freedom of information. If there is a single law which most needs be applied to Congress it is the Freedom of Information Act. Congress gets away with many abuses simply because no one can find out about them. If congressmen and their staffs were required to keep adequate records and to make them available to the public, many congressional abuses would cease overnight, and questionable behavior would be subject to the informed judgement of voters.

Casework. Helping constituents solve problems with the government is Congress's number-one occupation. But if constituents are continually being injured by the federal government, Congress should fix the systemic problems, rather than patching up faulty operations with ad hoc intervention.

Congressmen should get out of the casework business. Large reductions in staff, especially in personal staffs, are probably the only way to achieve this goal. For those inevitable cases when paperwork is lost, or constituents confused, an ombudsman system, either within agencies or as an arm of Congress, would be far preferable to the current arrangement. Short of getting out, Congress could come clean about casework. All manner of scandalous political favors are covered by the "little-old-lady-with-the-lost-check" ploy. Congressmen should be required to report all correspondence and phone calls to executive agencies periodically in the Congressional Record. If these are all honest casework, congressmen should be proud. If Congress won't take this step itself, then the President should order executive agencies to log and report congressional contacts as public matters.



Drawing by Steve Schwalm for *Policy Review*

It is time to stop committees dominated by special interests from bottling up popular legislation.

Fair and open procedures. One of the reasons Congress has difficulty acting on important issues is that its committees, dominated by special interests, are allowed to bottle up popular legislation. When bills do reach the floor in the House, controversial amendments are often blocked. Through a variety of ruses, members are able to stake out positions on both sides of an issue, or even to vote one way while doing the opposite. House and Senate rules should be revised to produce a more orderly, fair, and open process. This can start with setting the legislative agenda.

Congressmen and constituents are frustrated when important legislation gets bogged down. Giving new scheduling powers to a few House and Senate leaders, as some have suggested, would only open the door to new abuses. A better system would give every member a voice, and a stake, in setting an agenda. This could be accomplished by allowing a brief debate on legislation as soon as it is introduced, a system similar to that followed in early Congresses. Simple bills were approved, silly ones disposed of, and complex ones sent to a committee. (The Senate retains vestiges of this procedure: If a Senator objects to referral of a bill to committee, it is placed on the calendar immediately.)

Reviving this procedure would allow the entire House

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and Senate to determine an agenda openly. In referring a bill, members could instruct committees to complete action within a given time or indicate in a general way how a bill should be amended. This system would reduce the clutter of congressional calendars, and cut down on frivolous proposals, as sponsors would be loath to endure their colleagues' taunts for introducing pointless legislation. The scope and complexity of bills would probably be reduced, since simpler measures would be more likely to be approved. If debating every bill seems too cumbersome, Congress might allow the procedure to be invoked selectively by the leadership of either party or by a significant number of members.

A line-item veto would help reduce spending, but not as much as a balanced budget amendment.

The House Rules Committee, which sets ground rules for debating bills on the House floor, too often bends procedures in favor of the Democratic majority, especially by blocking politically contentious amendments. While some variation in rules may be necessary, a few standard procedures should be developed to cover most bills. Changes in those standard rules should require a supermajority (60 percent or more) vote. Absent an agenda reform like that described above, significant minorities within the House should be given a greater voice in what legislation is considered. Currently, action can be forced on legislation if a majority of the House (normally 218 members) signs a "discharge petition." Since the petition is kept secret, however, voters have a hard time keeping score: representatives can claim to support legislation while refusing to do what is necessary to get it enacted. Discharge petitions should be made public, and the threshold for forcing action should be lowered. There is no reason why the House should not consider legislation supported by, say, one third of its members.

Finally, congressional rules should be revised to make votes more meaningful. The House practice of approving legislation or amendments without votes ("deeming") should be prohibited. Conference committees, which are intended to work out differences between House and Senate versions of bills, should not be allowed to practice "stealth" legislation by deleting provisions both bodies have agreed to or by adding new material that neither has approved.

Cutting committees. Much mischief in pork and micromanagement is conducted by committees independent of the knowledge or will of the majority of members. Several previous reforms have limited committee and subcommittee numbers, but like weeds, congressional committees require periodic clearing. The rearrangement of committee jurisdiction is relatively unimportant as long as the numbers are significantly reduced, perhaps by half or more. This would help untangle schedules, and the resulting broader jurisdictions would likely produce a more integrated approach to lawmaking. Congressmen would then sit on a handful of committees rather than a dozen or more. Among other salutary effects, this would increase the attention congressmen give to each committee position, and therefore reduce the role staff plays.

Term limits for chairmen. Members who are concerned about the concentration of power in the hands of fewer chairmen might consider imposing term limits on those chairmen as suggested by Oklahoma Democratic Congressman Dave McCurdy. While McCurdy's proposal is in the form of a change in House rules, it is the Republican and Democratic caucuses in each body that designate chairmen and ranking members. There is no reason why those party organizations should not move on their own to limit the tenure of committee chairmen, or even of all committee members. Over the course of six years or so, even the most ambitious chairman should be able to advance a legislative agenda. Allowing members to remain chairmen or senior committee members for long periods simply allows the natural process of forging common links with bureaucrats and interest groups—the iron triangle—to overtake the detachment necessary to the legislative role.

Reclaiming Legislative Responsibility

The point of all these reforms is not to reduce the power of Congress—much less to replace it with presidential authority—but to refocus congressional attention to important legislative duties. Only by stopping many current activities can this succeed. Congressmen will argue that the activities we want them to cease are necessary to control the huge federal bureaucracy, and in this they are probably right. The point, though, is not to make Congress give up control and leave bureaucrats roaming at will, but to give Congress incentive to limit the powers they delegate to the bureaucracy, and to reclaim their legislative responsibilities.

These reforms are designed to disentangle Congress and the bureaucracy, to break the iron triangles that encrust thinking and enthrone special interests, and to remind congressmen that they are not a part of a permanent government in Washington, but the humble and temporary representatives of free citizens. ☎

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To Die in Sarajevo

U.S. Interests in Yugoslavia

A Symposium

What interests does the United States have in the conflict in what was once Yugoslavia? And how should the United States intervene in this conflict, if at all, to protect these interests? *Policy Review* asked these questions of several leading conservative foreign-policy specialists at the beginning of September.

Mark Blitz

Vice president for programs at the Hudson Institute.

Four guidelines should be kept in mind whenever the United States considers intervening in a foreign conflict. First, we need to adopt the standpoint of responsible public officials. Advice that is stimulated by partisan advantage, egalitarian or isolationist political passion, or ethnic self-interest is untrustworthy.

Second, our "national interest" is to protect and enhance our way of life, a way that requires the prospect of economic plenty, but is shaped by love of liberty and equal rights—by principles as well as things. Our policies serve a country that combines moral and material into a common good.

Third, if something needs to be done, it should be done quickly, at a cost that is proportional to the benefit, and that will retain popular consent.

Fourth, we cannot direct other people's institutions for them and at the same time expect them to become tolerant democrats. The most we can do is to clear away special difficulties, and to help them on their way.

If the costs are acceptable, as I think they would be, we should intervene in Yugoslavia to stop the killing. Ethnic wars are possible in the future; why not now make clear that pursuing one will not succeed, and will be costly to the perpetrator? War in the Balkans threatens to drag in the Greeks and the Turks; war between Christians and Muslims could spread well beyond the Balkans. We could not stand by, were this to occur, and expect our moral pride or material ease to remain unblemished. Why wait for the problem to become more difficult if we can make clear today that we and our allies will intervene constructively?

Could the costs of intervention be acceptable? They could be if we limit our goals and are supported by our friends. Our goal is not to end ethnic hatred miraculously or to provide security forever, but to stop massive killing today, limit Serbian gains and Croatian opportunism, and eliminate as best we can significant military capabilities. If we work with others, achieving these goals should not be too costly.

Frank J. Gaffney Jr.

Director of the Center for Security Policy.

Europe remains an area of vital strategic interest to the United States. A major international conflict there would inevitably jeopardize American interests and involve our forces. The bloodletting in Bosnia-Hercegovina and Croatia wrought by Serbian aggression has the potential to become just such a major international conflict.

A devastating precedent has been established in Croatia and Bosnia that has been grossly underestimated. Western inaction in the face of extreme atrocities and human-rights abuses—most vividly demonstrated by the revelation of death camps—has already communicated an unmistakable green light to would-be aggressors elsewhere.

As a practical matter, there is no alternative to American leadership and initiative. In its absence, there will be no effective assumption of responsibility or intervention by others. All of the collective-security arrangements that have interests in the area—including the United Nations and the European Community—have shown their impotence in this crisis.

I strongly support the use of U.S. military power and politico-diplomatic leadership to disrupt Slobodan Milosevic's efforts to carve out a greater Serbia at the expense of Bosnia and Croatia. Military force could be used to sever the direct military, intelligence, logistical, and other support Belgrade is providing to local Serbian forces in Bosnia and Croatia; enable the victims of Serbian assaults and atrocities to defend themselves and to

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liberate territory from which they have been "ethnically cleansed"; and encourage and facilitate humanitarian relief, emergency housing, and reconstruction assistance for those who have been displaced.

Jeane J. Kirkpatrick

Former U.S. ambassador to the United Nations, senior fellow at the American Enterprise Institute, and the Leavey Chair at Georgetown University.

What are U.S. interests in the Yugoslav war? World War I and the continuous U.S. involvement in Europe from 1941 forward are proof enough that Americans feel their identity and interests to be deeply involved with Europe.

The presence of another violent, expansionist, racist dictator in the heart of Europe is dangerous not only to his victims, but to the peace and freedom of many others. Slobodan Milosevic has already created two million refugees who put heavy pressure on the resources and generosity of their neighbors. Bosnia-Hercegovina is not the end of his ambitions. Should "ethnic cleansing" and conquest of Bosnia be permitted, not only will Kosovo, Macedonia, and Albania be endangered, but other historic antagonisms in the region (such as those between Greece and Turkey) will be exacerbated. The success of Milosevic would be a dangerous invitation to other political predators in the region.

The incapacity and impotence of Western European countries, the European Community, the United Nations, and the United States to deal with his aggression would mock our efforts to build and preserve effective frameworks for collective security.

What might we do? Margaret Thatcher pointed the way. We could do what we should long since have done: give Slobodan Milosevic an ultimatum: Serbia must cease military action and the flow of weapons to Serbian forces in Bosnia. Those forces must turn over their heavy weapons to some international body. Bosnia's Muslims and Croats must be permitted to return to their devastated homes under international protection. Or else.

Refusal to concur with this ultimatum should result in the destruction by air of Serbian military assets, and the encouragement by all lawful means of Serbia's opposition groups. Serbia is not a world power.

Michael Lind

Executive editor of the National Interest.

The bloodletting in the Balkans is a human tragedy of the first order. That does not make stopping it an American interest of the first order—or the second, or even the third.

None of the reasons given for U.S. armed intervention in the Balkans is convincing. The United States does not send troops to protect humanitarian aid shipments in civil wars elsewhere; why here? One need not be politically correct to suspect that the argument that (Muslim) Bosnians should be of special concern because they are "European" is thinly disguised racism.

There is little danger at present that the Balkan violence will draw European great powers (Germany, Russia, Turkey) into a general war. Nor is it likely that the bloody breakup of Yugoslavia will inspire a chain reaction of secessions elsewhere in Europe (Corsica? Scotland?). If anything, the sobering example of the Yugoslav mayhem might encourage peacefulness in other national divorces, like that of the Czechs and Slovaks.

Refugees are a serious problem—a serious *European* problem. When the United States cannot control its own Mexican border, it has little business going to war to end the flow of immigrants to the European Community.

The argument that this is a test of the new world order assumes that such a thing exists. Equally unconvincing is the idea that intervention is necessary to exercise the muscles of established or new multilateral alliances—NATO, the United Nations, the Conference on Security and Cooperation in Europe—the preservation of which is an end in itself. Americans sometimes have to die *in* alliances; they should never die *for* them.

The United States can engage in a variety of measures short of war to help relieve the Balkan suffering and strengthen the anti-Serbian republics. As things stand, however—to paraphrase Bismarck—Bosnia-Hercegovina is not worth the bones of a single Mississippi private.

Amy Moritz

President of the National Center for Public Policy Research in Washington, D.C.

The wise policy in Yugoslavia is to nudge Europe into solving European problems. This is not to say that the United States should turn a blind eye to all the world's conflicts. But Europe is rich, Europe is powerful, and Europe doesn't need America in this situation. It would be a dangerous precedent for the United States, in the first post-Cold War conflict, to absolve Europe of its own security and moral responsibilities.

We can and should do better at deterring preventable crises. Since the breakup of multi-ethnic federated states is a complicated challenge, the next secretary of state should initiate a "Team B" approach in which the opinions of outside experts are culled and contrasted with official recommendations. It is likely that most secretaries will resist such a suggestion—as only the most competent will not find in it a threat to their authority—but the United States can do far more to prevent crises like Yugoslavia than we can ever do to repair them.

Charles A. Moser

Scholar of Slavic literature and history at The George Washington University.

Conservatives understand the importance of law and order. They also realize that the preservation of lawful order in a far-from-perfect world requires a policing authority clearly willing to use force. And they know that

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this applies to both the national arena and (with some modifications) to the international sphere.

Lawful international order stands in need of a policing authority that only the United States is presently in a position to provide on a credible scale. This idea is central to the notion of a United Nations peacekeeping force, but for various reasons the United States will have to be the backbone of any such force. President Eisenhower's insertion of Marines into Lebanon in 1958 was a textbook example of the timely application of a policing authority; the tragedy is that his example has found few imitators. The insertion of U.S. troops into Liberia in recent times, for example, could have avoided much suffering and bloodshed.

The United States has an interest in seeing to it that the transition to democratic systems in formerly Communist countries takes place as peaceably as possible. It should apply its air and sea power promptly to appropriate Serbian pressure points to bring the present armed conflict to a halt. Much time has been lost, and many lives. The United States should long since have acted decisively to bring the warring parties in Bosnia-Hercegovina to genuine negotiations.

Daniel Pipes

Director of the Foreign Policy Research Institute in Philadelphia.

Other countries have interests, the United States has both interests and moral imperatives. American politicians who recognize interests alone (*e.g.*, Henry Kissinger) or humanitarianism alone (Jimmy Carter) invariably end up misjudging the mood of the electorate. That mood is highly variable, depending on the state of our self-confidence and economy, the extent and nature of our media coverage, and our attitudes toward those in trouble abroad. In other words, Americans are highly inconsistent in their approach to foreign crises.

In the former Yugoslavia, our interests are modest, especially compared with those of Western Europe. Economic ties don't amount to much, we're not threatened militarily, and few refugees will land in on our doorstep.

Yet Yugoslavia has absorbed our humanitarian attention. The victims' European culture has something to do with it, as does the antiquity and beauty of their cities; but Serbian war behavior—"ethnic cleansing," shooting at busloads of orphans, concentration camps—is the key. Serbian behavior increasingly brings Nazis to mind, and that rightly brings out our humanitarian passions. In short, our stake is moral, not practical. It is no less real for being abstract. Accordingly, we should get involved.

But how? Two considerations—the awful complexity of fighting in the former Yugoslavia and the inward-looking mood prevailing in the United States—lead me to propose a limited use of force against Serbia. This might include the enforcement of sanctions, helping anti-Serb forces, and air strikes against key targets.

Reuters/Bettmann

Richard Pipes

Baird professor of history at Harvard University.

Next to the collapse of Communist regimes in the Soviet Union and Eastern Europe, the most encouraging development in recent history has been the international cooperation in repulsing Iraqi aggression against Kuwait. The decisive diplomatic and military measures taken by the United Nations at American initiative gave hope that mankind may have entered a new era, one in which aggression would finally be thwarted by the combined efforts of the world community.

Alas, this hope was quickly disappointed. Serbian aggression against Croatia and Bosnia has produced hand-wringing and ineffective sanctions, but no military response. It now appears that the decision to fight in the Gulf had been inspired not by the desire to enforce international law, but to protect oil resources. Washington's disinterest in the Balkans has induced paralysis among the Allies.

The United States should quickly assert its role as guarantor of peace, because the maintenance of international order is no less important to America's security than the protection of foreign economic assets. As it did two years ago, Washington should galvanize world opinion and initiate, under United Nations auspices, resolute military action to stop the Serbian carnage of civilians that bears all the earmarks of Nazi *Lebensraum* racism.

Douglas Seay

Deputy director of Foreign Policy and Defense Studies for The Heritage Foundation.

U.S. interests in Bosnia are a function of American objectives in Europe as a whole. Our fundamental interest is preventing domination of the continent by a hegemon. Secondary and tertiary interests include reducing instability, spreading democracy, and maintaining alliances.

The collapse of the Soviet Union has not altered America's interests in Europe, but it has significantly

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changed the manner in which they should be pursued. During the Cold War, the United States of necessity shouldered a disproportionate share of the burden for ensuring stability and security.

Now, the U.S. goal must be to settle Europe securely into a sustainable equilibrium, one maintained by the Europeans themselves. That can only come by reacquainting the Europeans with their own responsibilities.

Decades of American protection have atrophied the desire of the European states to undertake the costs and risks of ensuring Europe's security. To the extent that the United States continues to shoulder that burden, the Europeans will not.

Thus, the U.S. role in Yugoslavia must be to encourage, insist upon, even force the Europeans to undertake intervention themselves and reserve for America a supporting role. Only by so doing can the United States prepare Europe to protect its long-term interests during the new era now unfolding.

George Weigel

President of the Ethics and Public Policy Center.

The United States has strategic and political interests in the Yugoslav war similar to those that led us into Operations Desert Shield and Desert Storm. Establishing minimal rules of order in the post-Cold War world is an urgent task in the 1990s. That means, in this case, forestalling a further metastasis of violent ethnic irredentism throughout Central and Eastern Europe. Chaos and mayhem in the heart of Europe are in no one's interest, including those of the United States. With the leaders of Western Europe, we should make plain that we will not abide a contemporary re-enactment of the post-Reformation European wars of religion.

Even more fundamentally, the United States has a moral interest, indeed a moral responsibility, in this crisis: to defend civilized standards of international behavior on the continent where those standards were first defined, and to render humanitarian assistance to the victims of brutal aggression. Meeting our responsibilities today would likely have been easier (and less costly) had the administration defined America's hopes for post-Communist Yugoslavia as peaceful, nonviolent, democratic change, rather than the "order and stability" celebrated in Secretary of State Baker's disastrous July 1991 speech in Belgrade. But now a strong medicine is going to have to be applied.

A rigorous interdiction of military resupply to Serbia, the tightest possible economic sanctions against Belgrade, support for the Serbian democratic opposition, and military assistance to Bosnia are minimal steps. These measures will almost certainly have to be supplemented by an American air cap over Bosnia, coupled with European ground troops to secure and hold humanitarian enclaves (*e.g.*, the area around Sarajevo). If that does not stop the indiscriminate terror shelling of cities, air strikes should be employed to remove that threat.

If the aggression still continues, selective targeting of the source of Mr. Milosevic's power, Serbian military assets in Serbia proper, might finally make the calculus unbearable for the Serb leader.

Dov S. Zakheim

CEO of SPC International, adjunct scholar at The Heritage Foundation, and a senior associate of the Center for Strategic & International Studies.

There is no direct American economic interest in the outcome of the Yugoslav civil war as there was in the liberation of Kuwait. But the political interest is at least as great, if not greater. For 45 years, the United States has demonstrated to Europe and the world that it will not relapse into isolationism—that stability and freedom in Europe remain vital American interests. These interests are no less vital today after Communism's fall than they were during the Cold War.

The United States must demonstrate to Slobodan Milosevic and his coterie that Europe's boundaries cannot be changed by force, nor its regions "ethnically cleansed." America must do so without alienating the entire Serb population, or placing itself in a weak military position. With terrain favoring the Serbs, a land war would become a quagmire for the United States.

Nevertheless, the United States must act militarily, in concert with the United Nations if possible, with even a very few allies if necessary. To that end, it must draw upon its technological superiority by employing precision-guided munitions (Tomahawks, or bombs launched by stealthy F-117s) to "surgically" destroy key Serbian military facilities, especially command-and-control headquarters and airfields. It should make clear to the Belgrade government that, if necessary, even the presidential palace, unlike civilian homes and facilities, will not be off limits.

Thousands of Serbs are already revolted by their government's policies. A military strike will surely humble that government in the eyes of its people, and no doubt will encourage the Serbian people to overthrow a regime that is a blot on their reputation and their history. ☎

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Sooner Than You Think

The Coming Bankruptcy of Social Security

Bruce D. Schobel

If you are 42 years old today and expect to begin receiving Social Security benefits at age 66, your "normal retirement age" under present law, you may be in for a surprise. Contrary to assertions by the board of trustees of the Social Security system, the program will not be able to meet all its obligations when you retire. The higher payroll taxes you and your employer have been paying to put off the Social Security crisis are not going to do the job.

In the year 2016, just 24 years from today, the Social Security program will begin running a cash deficit. At first, the problem will be manageable: benefit payments and administrative costs will exceed tax income by only $13 billion. Within five years, however, the shortfall will exceed $200 billion annually. In 2030, the shortfall will rise to $700 billion; in 2035, it will be almost $1 trillion. By the early 2020s, if not earlier, benefits will almost certainly have to be cut back—whether through reductions in cost-of-living adjustments, raising the retirement age further, or additional taxation of benefits—if the Social Security system is to have any hope of meeting its obligations.

The trustees of Social Security say not to worry, the system won't go broke until 2036, so policy-makers have well over 40 years to craft solutions to the problem. The board consists of the Secretaries of the Treasury, Labor, and Health and Human Services, along with two members of the public, one each from the Democratic and Republican parties. They estimate that the trust funds will rise to a healthy nest egg of $5.6 trillion in 2024, two and a half times the current forecast of the annual payout at that time. According to the trustees, benefits will then be assured for another 12 years, as the assets in the trust fund are sold off.

There is one major problem with the trustees' projection of a 40-year margin of safety, however. There will be no money in those trust funds when it is time to draw them down. The money has already been spent on other government programs.

The Trust Fund's Phantom Assets

The Social Security trust fund actually is made up of two separate funds, Old-Age and Survivors Insurance, or OASI, and Disability Insurance, or DI. Together they are referred to as OASDI. Although these trust funds are technically separate, most analysts regard them as one, at least with respect to long-range projections, because the tax rates have been—and again can be—reallocated between the two parts of the program whenever their financial conditions diverge too much. The OASDI program began collecting taxes in 1937 (under a different name, but as essentially the same program). Revenues for the funds come primarily from FICA (Federal Insurance Contributions Act) and SECA (Self-Employment Contributions Act) taxes. All benefits and administrative costs are paid out of these trust funds.

When income for the trust funds exceeds expenses, the surplus is retained by the Treasury and used to meet the government's *non*-Social Security expenses. For example, the gradual rise in OASDI payroll taxes mandated by the Social Security Amendments of 1983, from 10.8 percent of wages and salaries in 1983 to 12.4 percent today, has led to surpluses that then went to finance B-2 bombers, farm subsidies, savings and loan deposit insurance, and other general federal expenditures.

In return for using Social Security's extra revenue, the Treasury issues special U.S. government bonds to the trust funds. At one time, the trust funds purchased marketable securities with their extra revenue, but for many years they have purchased only special-issue bonds sold exclusively to the funds. As of year-end 1991, 99.92 percent of the trust funds' combined assets of $281 billion were invested in these special-issue bonds. The trustees estimate the system will accumulate $5.6 trillion in assets (essentially special-issue bonds) by 2024.

Roughly three-quarters of these $5.6 trillion in assets will consist of interest that the Treasury has supposedly paid semiannually. In the early 2020s, the Treasury will credit $340 billion a year in interest payments alone to the trust funds. But where will the Treasury get the

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Archive Photos

The checks will start coming late in 2016.

money to pay this interest? It will simply issue more bonds. In other words, the Treasury will borrow money—from itself—to pay the interest on the bonds held by the trust funds.

Thus, the income represented by the interest earnings from the special-issue bonds is only phantom income credited from one internal Treasury account to another. But these funds are not actually available to make benefit payments, or to pay administrative costs. Those amounts go out as real cash. Indeed, if interest earnings are excluded from Social Security revenues, then the trustees expect outgo to exceed income beginning in 2016, not 2024. Beginning in 2016, the Treasury will need to provide additional money to Social Security, in excess of the program's dedicated revenue sources, so that it can meet its obligations.

Expect a Default

The Treasury, obviously, will have to find cash somewhere else. Unfortunately, its choices are limited, and none are politically attractive. The Treasury has three options.

1) **Sell bonds to the public.** The Treasury always has the option of selling bonds one place to make redemptions another place. Whether the public has sufficient appetite to buy additional bonds at an average rate of $500 billion per year, even in the inflated dollars of 2025–2035, remains to be seen.

2) **Raise taxes.** Policy-makers can raise taxes to provide the Treasury with the necessary money. More directly, they could raise Social Security taxes, reducing the need for bond redemptions.

3) **Print money.** The Treasury could redeem Social Security's bonds by printing money—but not without increasing inflation. Because Social Security benefit increases are tied to changes in the Consumer Price Index (CPI), inflation would result in even higher benefit costs and the need to redeem bonds more rapidly, not to mention other deleterious economic effects.

The Social Security system has recent experience using some combination of the above options to address shortfalls. From 1975 to the end of 1982, the trust funds fell from $46 billion—close to a year's outgo at the beginning of that period—to zero. An additional $12 billion of bonds were redeemed after being borrowed from Medicare's hospital insurance trust fund. Through higher taxes, deficit financing, and printing of money, the Treasury was able to redeem these bonds without much sacrifice of benefits during the period. It is highly unlikely, however, that voters and financial markets would permit higher taxes, deficit financing, and printing of money to the tune of $5.6 trillion—$500 billion a year. And because it would be so difficult to redeem the bonds on such a massive scale—especially if the national debt continues to spiral out of control—we would have to ask whether the Treasury would redeem them at all.

Many responsible observers of the Social Security program recoil in horror at the thought of the Treasury reneging on its obligation to redeem bonds held by the trust funds. They incorrectly compare such an action to government failure to redeem U.S. savings bonds held by individuals. The situation is not analogous. The United States has never defaulted on its publicly held bonds, and is not likely to. The bonds in the Social Security trust funds, however, are not publicly held. They are no more than bookkeeping entries, in which one agency of the federal government supposedly owes money to another. If future policy-makers ever decide to renege on only Social Security's bonds or to redeem them at a discount, the bonds' "special-issue" designation would provide a convenient administrative mechanism for doing so.

Although the assets of the trust funds are called "bonds," they more closely resemble "budget authority." Budget authority is simply a credit line granted by Congress—the authority to spend expected tax revenue—it does not mean that the actual cash is on hand. Budget authority is granted and revoked with some frequency in Washington. For example, the Fiscal 1981–1983 budget authority for the Department of Housing and Urban Development was cut by approximately 50 percent. It is conceivable that budget authority for Social Security could also be revoked.

Diet COLAs and Other Benefit Cuts

Even if Social Security's budget authority were revoked, the system would not shut down entirely. The administrators would simply delay making required benefit payments until the funds collected enough revenue for the checks to be good. Payments would begin arriving a few days later each month. Eventually, recipients might receive only 10 or 11 monthly checks

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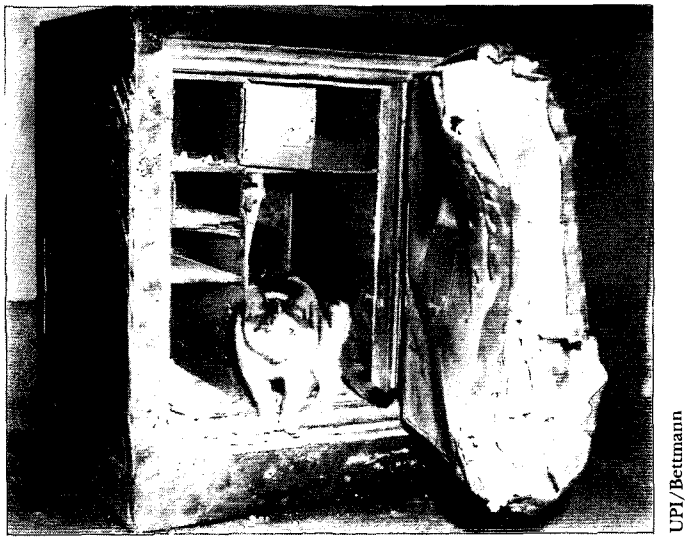
each year, and these might be late monthly payments from a year or two earlier. For those living on fixed incomes, the delays would be harsh and unsettling.

Before this uncertainty caused widespread despair among the elderly, policy-makers would likely enact a package of revenue increases and benefit reductions that would bring Social Security's income and outgo into balance in 2016, or shortly after.

The following big-ticket items are likely to be included in such a package:

- **Increases in FICA tax rates.** Virtually every major piece of Social Security legislation since 1950 has included increases in payroll-tax rates. Tax increases are easy to explain, and workers pay the additional amounts largely through withholding from wages and salaries, making the increases seem not quite so drastic. Many workers would be unwilling to pay extra amounts into Social Security, however, if they knew the extra taxes went into fictitious trust funds.
- **Increased taxation of benefits.** Since 1984, beneficiaries with moderately high incomes ($25,000 for individuals, $32,000 for married couples filing joint returns—both figures unindexed) have paid federal income taxes on up to 50 percent of their Social Security benefits. The revenue from this taxation is deposited into the trust funds. The 50-percent figure can be raised easily. In fact, this increase has been proposed so often already that it may happen long before 2016.
- **Reductions in COLAs.** Social Security's cost-of-living adjustments were delayed six months by the 1983 legislation, but the annual increases were maintained at 100 percent of the change in the CPI. In 1986, Congress enacted a smaller COLA—the so-called "diet COLA"—for federal employees covered by the new Federal Employees' Retirement System (FERS). Under FERS, the COLA is 100 percent of the change in CPI only when such annual change is 2 percent or less. If the annual change in CPI is 3 percent or more, the COLA under FERS is one percentage point lower. In other words, if the CPI rises 4 percent, most retirees under FERS get a 3-percent benefit increase. This new retirement system will eventually cover all members of Congress, who may be inclined to apply their COLA procedure to the general population under Social Security.
- **Increases in the normal retirement age.** The 1983 legislation raised the "normal retirement age" (NRA)—the age at which unreduced retirement benefits are first available—from 65. Workers born in 1937 or before are unaffected. The NRA rises gradually for workers born during 1938–1942, plateaus at age 66 for those born during 1943–1954, rises gradually again for those born during 1955–1959, and finally settles at age 67 for those born in 1960 and after. These changes are present law, not proposals. Early retirement is still available for workers at age 62, but the benefit reductions are larger. Instead of a 20-percent reduction at age 62 for workers with NRAs of 65, the reduction will be 30 percent at age 62 for workers with NRAs of 67. Because most workers claim Social Security benefits at about age 62—which is not expected to change—the increase in the normal retirement age can be regarded as being a 12.5-percent benefit reduction. The Congress has demonstrated that it knows how to reduce benefits through changing the NRA; it could easily do so again. Age 67 is no more special than was age 65 before 1983. Today's students may have to work until age 70 to receive Social Security benefits comparable to what retired workers get today at age 65.



UPI/Bettmann

There will be no money in the trust funds when it's time to draw them down.

Start Saving Now

I say Social Security will begin going broke in 24 years. The trustees say 44 years. Our difference is not over actuarial assumptions. (We have both used the trustees' intermediate, "Alternative II" assumptions about projected budget levels and payroll tax revenues.) Our difference instead is over whether retirees can count on the trust funds to assure their benefits.

If I am correct, then people who hoped to be enjoying their retirement years after 2016 should start saving more now if they want to maintain a comfortable standard of living after retiring. The necessary amounts cannot be saved during the last few working years; they must be accumulated over much longer periods of time. If Social Security benefits will be substantially lower than workers anticipate, as soon as 2016—when many of the baby boomers will reach retirement age—these individuals need to know now, so that they can take appropriate actions and increase their savings.

The board of trustees—especially the Secretary of the Treasury, who chairs the board—should recognize that serious problems will begin 20 years earlier than it is projecting. Tax revenue will first become inadequate to meet obligations in 2016. Because the money is being spent elsewhere by the Treasury, the trust fund assets that are accumulating—through the unnecessarily high Social Security taxes levied on today's worker—are not sufficient to meet the revenue shortfall. The program will have to change, and the sooner workers know about it, the better.

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Hello Columbus

America Was No Paradise in 1492

Robert Royal

Columbus's first voyage to the New World was arguably the single most important event in the emergence of our modern sense that we are all together living on one planet. Yet, as we mark its 500th anniversary, the traditional hero-worship of the Genoese explorer is gone. Most children can count on learning only two things about Columbus in school today: that he was not the first European to reach these shores; and that the history of slavery, oppression, and conquest that followed his explorations makes even his achievements nothing to celebrate.

In many ways, a more realistic appraisal of Columbus should be welcome, as historical truths should always be. Over the years, Columbus has been used as an idealized symbol for everything from the Reformation and the emergence of democratic Protestant America to a role model for Catholics and Italian immigrants. Some of these symbolic distortions had a core of truth to them; others were fabricated from whole cloth. Columbus was a brave and skillful navigator, a visionary explorer, and a devoutly religious man, but he should not be facilely linked with the occupations or preoccupations of subsequent ages.

Unfortunately, owing to ideological lenses, a more truthful historical picture of Columbus remains absent in many places. The same is true of the image of the indigenous peoples that he found on these shores. As a kind of compensation for centuries of uncritical hero-worship of Columbus, uncritical hero-worship of Amerindians has become a thriving industry as we approach the quincentenary. Where once the Indians played an incidental role in the story of the European colonization, they now generally occupy center stage, in both political and moral terms. It is an exaggeration, but only a slight one, to say that American Indians have become for many people the new heroes and models to be imitated as we contemplate 1492.

A Wondrous Mosaic of Peoples

Many of us retain an impression from grade school that in spite of the peoples already inhabiting these lands, the Americas basically were available for the daring explorer to take. This is a profound falsehood. Hundreds, perhaps thousands, of different indigenous groups lived here at the time of Columbus's arrival, and historians estimate the total population of the Americas at somewhere between 20 million and 100 million. Even the estimates of pre-Columbian population figures have become heavily politicized, however, with scholars who are particularly critical of Europe often favoring wildly higher figures. High starting points make Indian deaths by disease, warfare, and mistreatment all the greater. David Henige has dubbed this "Native American Historical Demography as Expiation." Yet despite their mistreatment by Europeans and devastation by European diseases (large numbers of Indians died as disease passed along trade routes, 80 percent without ever seeing a white man), some Indian groups are more populous today than in 1492. There now are 30 million Indians in Latin America alone, and several times more Iroquois in North America than at first contact.

Some Indians roamed in small hunting bands, while others had settled in immense urban complexes that rivaled major European cities both in size and splendor. The conquistador and, later, talented historian of the conquest of Mexico, Bernal Díaz del Castillo, writes of the Aztec capital Tenochtitlán that the Spaniards almost literally could not believe their eyes when they "saw things unseen, nor ever dreamed":

> We saw temples and oratories shaped like towers and bastions, all shining white, a wonderful thing to behold. And we saw the terraced towers, and along the causeways other towers and chapels that looked like fortresses....We turned our eyes to the great marketplace and the host of people down there who were buying and selling....Among us were soldiers who had been in many parts of the world, at Constantinople, all over Italy, and at Rome; and they said they had never seen a market so well-ordered, so large, and so crowded with people.

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Columbus's discovery showed that Europeans and Native Americans were both part of one worldwide human race.

Unexpectedly, on the high Central Mexican plateau, served by causeways in the middle of a lake, sat one of the most remarkable cities in the world. Anyone who thinks all native American societies were primitive and produced only primitive art should visit the Museo Nacional de Antropología in Mexico City.

Illinois's Great Pyramid

Nor were the ancient Mexicans alone among indigenous peoples in such achievements. Successive waves of high urban civilizations, including Olmec, Toltec, and Mayan, left remains of similar quality and scale, although by the arrival of Columbus these urban centers had long since dispersed or declined. Like other Indian communities, however, they had created vast agricultural networks, including irrigation systems, and had bred varieties of corn, beans, and squash. These Mesoamerican civilizations had also arrived at impressive intellectual achievements. Their calendars were more accurate than those used in Europe at the time, and their mathematicians had discovered the concept of zero and how to use it in computations. (Europe had borrowed this concept earlier from the Arabs.)

Further south, the Incas had created what was probably the largest empire on the face of the Earth in 1492, larger even than China's. The Incas also resolved the problems of governing over long distances broken up by mountains and valleys much as had the ancient Romans, by building a road system and a political, military, and civic complex that astonished Europeans for centuries after. The historian William Prescott could say of the Incan ruins as late as the 19th century:

> The traveller still meets...with memorials of the past, remains of temples, palaces, fortresses, terraced mountains, great military roads, aqueducts, and other public works, which, whatever degree of science they may display in their execution, astonish him by their number, the massive character of the materials, and the grandeur of the design.

Alexander von Humboldt, the natural scientist and explorer, stated: "The roads of the Incas were among the most useful and stupendous works ever instituted by man." The Incas also developed over 3,000 kinds of potatoes to meet nutritional needs; most of those species are unknown to the rest of the world even today. The rulers of the empire were so stupendously wealthy that they were able to fill an entire room with gold as a ransom when Francisco Pizarro demanded it; Pizarro executed the captive emperor anyway.

Nor were such advanced achievements limited to what is now Latin America. Across the Mississippi River from St. Louis, a metropolitan center built by the Cahokians arose that produced high, pyramid-like mounds different from the kinds of temples found south of the Rio

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AP/Wide World Photos

An urn from the Aztec capital Tenochtitlán, one of most remarkable cities in the world in 1492.

Grande. The Cahokian culture existed until just about the time of Columbus. For some reason, this advanced urban civilization dispersed itself before it had had any contact with Europeans. Its way of life, therefore, can only be extrapolated from surviving physical evidence and knowledge of kindred tribes. The magnitude of its sheer physical achievements, however, is indisputable: on the banks of the Mississippi, 30,000 people lived and raised a pyramid that occupied more land than the Great Pyramid of Giza in Egypt.

Rich Lore But No Written History

We do not usually think of advanced urban centers when we think of Native American culture. But within what is now the United States alone, there had been various other mound builders, along with over 300 other Indian tribes, speaking languages as diverse from one another as are German and Chinese. Even using the word "tribes" to describe these diverse groups cannot convey the range of peoples and social forms between North America's two coasts.

Contemporaneous with the Cahokian mound builders in 1492, whaling peoples on the Northwest coast, nomadic tribes in the interior, cliff dwellers in the Southwest, and numerous other nations dwelled in these lands. Each of these groups showed an ingenious ability to adapt to local environmental conditions and extract the necessities for life from the available flora and fauna. They also gave rise to a rich body of religious, mythological, and practical lore that retains considerable human interest.

The lack of written native languages has blocked a full understanding of this country's Native American history. Because the Mayan glyphs were the only true writing system in pre-Columbian America, we must rely almost entirely on oral traditions and archeological evidence, where available, to reconstruct Native American history. Often, these two sources do not confirm one another. Later accretions to oral histories and gaps in the physical evidence introduce uncertainties everywhere. The written testimony of European settlers helps, but inevitably contains inaccuracies and misunderstandings. Given the economic, political, and military interaction of native peoples, all these instruments, even combined, leave much uncertainty. It is as if we had to reconstruct several centuries of Italian Renaissance history, not from the documents of the warring city-states, but from the anecdotal accounts of Arab traders who had contacts with Genoa, Venice, Florence, or Naples.

Many interested parties have rushed to try to fill in the picture. Historians have a fairly good idea of the basic day-to-day material life of the Eastern Woodland tribes that the Europeans first encountered, or of the Plains Indians hunting buffalo before the Europeans brought back the horse to North America. (The horse was native to America, but was wiped out during the last ice age about 12,000 years ago.) In fact, many of us feel nostalgia for the life close to nature that these peoples led, even if they lacked some of the advantages of their more urbanized neighbors. What is not as clear to us, however, is the human relationship these neolithic societies bear to each other and to us.

What's in a Name?

Just one example of the difficulties we encounter here: What should the various peoples in the New World prior to Columbus be called? Many Indian groups today reject the name Indian, because they regard it as a Eurocentric imposition, and a mistaken imposition at that, since Columbus thought he was in the Indies. "Native American" has become a more politically correct term, but has its own problems for several reasons. First, it invites confusion with all the rest of us who are native-born Americans. But more significantly from the indigenous point of view, it does not escape European categories. "America" was a name formed in the wake of another Italian explorer, Amerigo Vespucci. It is difficult to see how being named after an Italian is less Eurocentric than being named after an East Indian.

This difficulty in finding a name for all the peoples of the New World reflects an inescapable truth unwelcome in some quarters. Some of the parties involved in the quincentenary have tried to deny that Columbus "discovered" anybody. The natives already knew who and where they were, and did not need to be "discovered" in this view. But this line of argument has taken a valid concern and pushed it beyond its proper legitimacy. In point of fact, the native peoples of these continents did *not* know where they were, nor even that they inhabited a globe. Nor did they know one another very much, hence their lack of a name for themselves as one group.

That consciousness only emerged much later, when some native groups formed a kind of pan-Indian agenda to protect themselves against whites. Pan-Indianism, almost a mystical concept for some modern activists, cer-

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tainly did not exist and could not have existed prior to Columbus's discovery. Pre-contact native peoples differed from and fought with one another too much for any such solidarity to emerge over a very wide area. Recent scholarship has refuted the myth that Columbus proved the world was round to Europeans. Educated Europeans in his day already knew that. But he did prove it to Indians, who suddenly found themselves, for good and evil, an integral part of one worldwide human race.

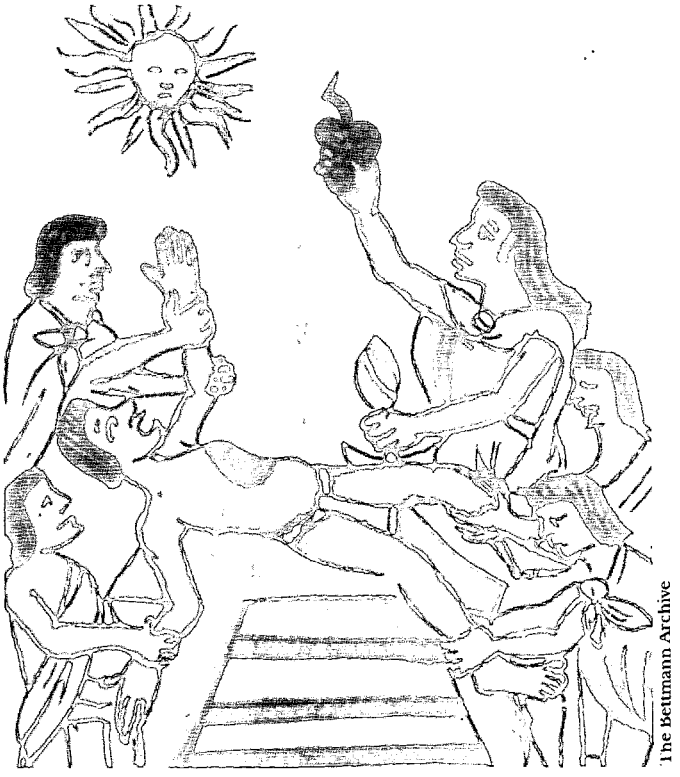
Despoilers of the Earth

Being part of that race has consequences. These diverse peoples should have been respected for their own cultures and peacefully brought into interaction with the Europeans. Such peaceful cultural mixing has rarely occurred in history, and certainly did not occur very often in the Americas. But being part of one human race also means being open to comparison with other cultural practices and norms, and when we turn to that aspect of our encounter with native peoples, the discussion rapidly heats up.

For example, Indians are often recommended to the industrialized modern world as model ecologists. These recommendations are based on the assumption that Indians lived close to nature and followed a natural sense of balance in their hunting, agriculture, and manufacturing. We have already seen how diverse a group of people we are referring to when we say Native American, and it will come as no surprise to realize that there is no one "Native American" practice or doctrine that can be universally invoked as a counterweight to modern Western views on the environment or any other subject. To be faithful to the Native American cultures, we can only proceed by examining the beliefs and practices of specific groups.

The Eastern Woodland tribes, for instance, had a certain fear and reverence for the spirits of the woods that controlled the animals and plants; hence, their reluctance to offend by taking for their own use beings that belonged to the spirits. But this is far from modern concepts of ecology. Indians in fact overhunted deer and beaver even before the arrival of the white man, and did not seriously try to preserve the resources in the vicinity of their villages. As a result, the typical woodland village, having exhausted local soil and game, had to move on average every eight to 10 years. Their numbers were small enough, and land plentiful enough, that this caused no extensive permanent damage, but neither is it much of a precedent for modern worries about nature.

The higher urban cultures often were not nearly so benign. Archaeologists are uncertain why, for example, the high Mayan culture reverted to a simpler form over 500 years before Columbus. But to judge from the evidence of the ruins in most cities, epidemics, warfare, political turmoil, deforestation, and other environmental factors appear to have played a prominent role. Wilcomb Washburn, the former director of the Office of American Studies and a long-time Smithsonian scholar of Indian life, has justly observed of indigenous Americans, "They were not ecologists in the sense of 20th-century interest groups....[E]ven in the earlier, 'unspoiled' phase of native existence on the continent, there is evidence, such as the bison herds driven off cliffs, to indicate that Indians were not the careful stewards of Mother Earth they are sometimes thought to be."



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Along with their advanced intellectual and economic achievements, Mesoamerican civilizations also practiced grisly human sacrifices.

Regeneration Through Blood

Modern ecologists invoke a harmony with nature that they believe they find in Indian spirituality as opposed to the "Be fruitful and multiply and have dominion over the Earth" philosophy that they often see as the biblical basis for Western ecocide. Yet no certain evidence of that harmony in its modern sense is to be found among native cultures. In fact, some quite different concepts of harmony are far clearer and far less happy than we might think. Among the Aztecs, Maya, Incas, and even some North American tribes, a cosmology common to many primitive peoples emerged. In that cosmology, everything in nature is cyclical, even the creation and destruction of the world. Religious rites were performed to keep the universe and the social order from getting out of kilter. The Nobel-prize-winning poet Octavio Paz explains:

> The religious foundation common to all the Mesoamerican peoples is a basic myth: the gods sacrificed themselves to create the world; the mission of the human being is to preserve the universal life, including his own, feeding the gods with the divine substance: blood. Thus, war is not only a political and economic dimension of the city-state but a religious dimension.

It was this system of beliefs that lay behind the human

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sacrifices among the Aztecs and Incas that so horrified the Spaniards who first encountered them. In fact, the Spaniards were able to win over tribes subjected to the Aztec empire in part by their promises that young men would no longer be sent as tribute to the capital for human sacrifice.

Occasionally a kind of anthropological racism is used to distance these Latin American practices from those of North American Indian cultures. If we discover that, for example, the Pawnee used to sacrifice a maiden annually, some historians will see in this Mexican influence, even though no evidence for this "contamination" exists. Similarly, the mound-building cultures of the U.S. Southeast, like the Muskogean, appear to have had a kind of ritual suttee and other human sacrifices at the funerals of members of the upper classes. Some of these societies were rigidly hierarchical slave societies that subordinated women, and they too are often said to show Mexican influence. Yet according to Phillip Kopper, a writer for the Smithsonian Institution, "No prehistoric site in the Southeast has yielded a single Mexican relic."

It is not as though only Mexican or other highly developed indigenous civilizations possessed social practices we now deplore. Almost every Indian tribe in existence in 1492 would provoke violent reactions for some of its practices if faithfully reconstructed today. The Sanpoils, who lived in the Northwest on the Columbia River, practiced absolute equality and pacifism. They alone, perhaps, would escape contemporary criticism. But pacifism was a rarity among indigenous peoples. Most Indian groups were warrior societies. The Sanpoils were highly unusual and fortunate in that they were able to preserve their equality and pacifism between two very different types of societies: those on the Northwest Coast with rigid social structures and slavery, and those on the Great Plains marked by bellicosity.

Democratic Torturers

Sometimes contradictory traits show up within the same indigenous group. The Iroquois were probably the most highly developed Native American political association in North America, and much has been written of their indisputable achievements. DeWitt Clinton called them the "Romans of the West" because of their "martial spirit and rage for conquest." The so-called Iroquois confederation—the nascent civic structure of the Seneca, Onondaga, Oneida, Mohawk, and Cayuga—arrived at peaceful and relatively democratic relations among the five nations. In 1987, the U.S. Congress formally proclaimed that the Iroquois played an important role in the creation of American democracy. As a result, American schoolchildren are taught today that the Iroquois confederation was a model for the American Founders when they began to consider how to organize the 13 newly-independent former colonies.

"Indians were not the careful stewards of Mother Earth they are sometimes thought to be."—Wilcomb Washburn

While the confederation is a clear sign of Native American diplomatic skills, controversy is widespread among historians over whether it exerted much influence on the Founders. A few passages show that the Founders were, of course, aware of the confederation. Ben Franklin probably captured the spirit of how most of the Founders felt about the question in his remarks on the need for a union:

> [I]t would be a very strange Thing, if...ignorant Savages should be capable of forming a Scheme for such a Union, and be able to execute it in such a Manner, as that it has subsisted Ages, and appears indissoluble; and yet a like Union should be impracticable for ten or a Dozen Colonies.

Franklin's combination of disparagement ("ignorant Savages") and admiration (suggesting "a *like* Union") reflects the vague interest typical of his times. Not until the 1840s did anyone investigate the actual structure of the confederation. Consequently, its role in shaping the Constitution is doubtful to say the least.

In any case, outside the constituent Iroquoian groups, the confederation practiced what can only be called an imperial policy toward other peoples. Francis Jennings, an appreciative student of Indian cultures, has written that the Iroquois, because of their political structure, considered themselves the wisest of Indians and "this rationalized their role of hegemony over other tribes. It was for the latter's own good—not an unfamiliar argument among imperialists." The British, seeing heavily fortified Iroquois villages, called them castles—a further indication of the kinds of relations that existed among tribes long before the white man added his evils.

We can also get some idea of the way that the Iroquois treated prisoners of war from the experience of the French Jesuits in Canada. Paul le Jeune, one of the earliest missionaries, remarked in 1632 on the "shocking cruelty to captives" among the warring tribes. Seventeenth-century France, like the rest of Europe at the time, was not exactly unfamiliar with torture and executions, but the French found native treatment of prisoners excessive even by those standards.

To get a concrete sense of the world in which the Jesuits operated and the practices they sought to change, it is instructive to recall what happened to Jean de Brébeuf. Brébeuf was a talented linguist who learned several Indian languages. Like many of the Jesuits, he was constantly having to defend himself from Indian charges of witchcraft. (Even writing and reading were so alien to native ways of thought that they evoked fear.) Many Indians believed that sorcery was the cause of the epidemics brought by the Europeans. Brébeuf was working among the Hurons, tending the sick and trying to

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Aggression was hardly confined to Spanish conquistadors. The Incas, whose mountain retreat of Machu Picchu is pictured here, controlled the world's largest empire in 1492.

teach Christianity, when he was captured along with his colleague, Gabriel Lalemant, by the Iroquois. They tortured him to death, in steps: boiling water was poured over his head three times in imitation of baptism; hatchets were heated in a fire, strung together, and then placed around his neck; a belt of resin and burning pitch was attached around his waist; his lips and tongue were cut off; pieces of his own flesh were cut off, roasted, and eaten in front of him; and finally, his heart was dug out and eaten, and his blood was drunk.

Taking Indians Seriously

To recall some of the negative dimensions of native cultures does not exonerate Europe for its own failures and atrocities. Europeans committed acts just as bad and their culpability is worse: by their own principles they should have known better. But a better knowledge of the shortcomings, as well as the achievements, of native culture is essential, not least because it makes Indians real people for us again.

For a long time, Indians were portrayed as poor savages, too primitive to be taken seriously as worthy members of the human race. Lately, the opposite distortion has occurred, but with much the same effect. The contemporary Indian has become a kind of "red angel," living in harmony with God, nature, and his fellow man, and not a living creature of flesh and blood like the rest of us. Both attitudes are ultimately imperialistic, because they impose on the Indian images of one stripe or another that the mainstream culture feels it needs at a given time. Instead of paying Native American cultures unwarranted compliments, it would be far more respectful of the various indigenous peoples in these lands to learn about their real histories and to appreciate them for what they were and are—human beings with all the glory and horror the human condition entails.

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Battler for the Republic

Irving Kristol's Terrible Swift Pen

Mark Gerson

For more than four decades, Irving Kristol has been one of the most important figures in American social and political thought. As co-editor of *Encounter* and a writer for *Commentary* in the 1950s, Kristol was one of the principal shapers of the liberal anti-Communist consensus. As a founder and co-editor of the *Public Interest* magazine from 1965 to this day, Kristol has done more than any other American to demonstrate the unintended negative consequences of government programs. Throughout his career, Kristol has been the secular world's most articulate opponent of the erosion of serious religious commitment into secular humanism and nihilism. And since the 1970s, Kristol has served as one of capitalism's greatest champions and most trenchant critics, supporting a religiously based free market and policies such as supply-side economics while opposing avarice and amoral corporate conduct.

Kristol was born in 1920 in Brooklyn, New York, to immigrant Jewish parents. He graduated from Boys' High School in 1936 and went to City College of New York, where, as he writes, "The honor I most prized was the fact that I was a member in good standing of the Young People's Socialist League." From the now-fabled Alcove One of the City College cafeteria, Kristol and his Trotskyist friends conducted daily heated debate with the Stalinists in Alcove Two, who greatly outnumbered them. To be prepared for these battles, the Trotskyists could be satisfied with only the most disciplined arguments, the most rigorous preparation, and the most substantively founded contentions. It was in Alcove One that Kristol contends he received his "real education," by learning to "think logically," reading the works of the great anti-Communist Sidney Hook and others.

The alumni of Alcove One include Daniel Bell, Philip Selznick, Irving Howe, Nathan Glazer, Seymour Martin Lipset, and Melvin Lasky, while the most famous graduate of Alcove Two was the H-bomb spy Julius Rosenberg. Although most of the veterans of Alcove One have long since abandoned socialism and retain little philosophical attachment to their days as radical young leftists, the experience garnered in the movement was invaluable. Kristol has written that he has "no regret about that episode in my life. Joining a radical movement when one is young is very much like falling in love when one is young. The girl may turn out to be rotten, but the experience of love is so valuable it can never be entirely undone by the ultimate disenchantment."

Mugged by Reality

Kristol joined the Army after spending a year in Chicago while his wife, Gertrude Himmelfarb, now one of America's most eminent intellectual and social historians, studied for her doctorate. It was in the Army that Kristol completely discarded his socialism. Living with "the masses" for the first time in his Army barracks, Kristol saw that his bunkmates were neither socialists nor the idealized common people he had read about at City College. He realized that a democratic socialism was impossible: ordinary people would adopt socialism only if forced to by a totalitarian, coercive state. With these lessons infusing his thought, liberalism would never be the same for Irving Kristol.

In 1946, Kristol landed a job as an assistant editor at *Commentary* magazine, which was published by the American Jewish Committee. Under its editor, Elliot Cohen, *Commentary* became one of the leading organs of the liberal anti-Communist consensus in the post-war era. Kristol was later offered the job of editing *Commentary*, but turned it down. The post went to his friend Norman Podhoretz, who still runs *Commentary* today, and like Kristol has been a towering figure in American neoconservatism.

In 1953, Kristol went to London to co-edit *Encounter* along with Stephen Spender. *Encounter* was the publication of the Congress of Cultural Freedom, an organization of liberal anti-Communist intellectuals from around the world. Unbeknownst to Kristol, the Congress was partially funded by the Central Intelligence Agency. When this was revealed in the mid-1960s with much consternation to the New York intelligentsia, Kristol was unconcerned. On one level, a simple look at some of the people associated with *Encounter* proved that the CIA had no editorial influence over the magazine. On another

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Drawing by Alexander Hunter for *Policy Review*

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level, Kristol did not see anything wrong with the CIA to begin with.

Kristol returned to New York in the late 1950s, where he spent a year as editor of *The Reporter* magazine and took a job as a vice-president of Basic Books. In 1965, he founded the *Public Interest* magazine with his friend Daniel Bell. He has also been a regular columnist for the *Wall Street Journal* since the 1970s. In 1986, Kristol left New York for Washington, where he is a John M. Olin Distinguished Fellow at the American Enterprise Institute. He maintains a morning office at the *Public Interest* and an afternoon office at AEI.

His essays have filled three books. *On the Democratic Idea in America,* published in 1972, deals primarily with social philosophy. *Two Cheers for Capitalism* came out in 1978 and deals with the connections between morality and economics. *Reflections of a Neoconservative,* published in 1983, is a compendium of Kristol's best essays on a variety of topics.

Anti-Communist Liberal

Kristol began his post-college political writing career with potent attacks on Communism. He was a core member of the anti-Communist left, which was centered around *Commentary* and the Congress of Cultural Freedom. Other integral thinkers in this group included Kristol's mentor Sidney Hook, Diana Trilling, Robert Warshow, Nathan Glazer, and Daniel Bell, as well as social democrats Irving Howe and Michael Harrington.

Secular humanism "is the source of a spiritual disarray that is at the root of moral chaos."

These liberals and leftists opposed Communism primarily for two reasons. First, they saw it as a distinctly anti-liberal ideology that denied the free play of the mind, strangled creativity in the arts, and stifled basic political freedoms. Second, they feared that Communism would delegitimize liberalism in the eyes of the American people. It would be all too easy for Americans to fail to make the distinction between the evil ideology of Marxism and the promise of liberalism. The anti-Communist Left therefore was committed to dissociating itself from Communism by attacking it with full force.

Kristol's first major article of political concern, "'Civil Liberties,' 1952—A Study in Confusion," was *Commentary*'s greatest strike at the Communists and the fellow-traveling Left. Communism "is an Idea," wrote Kristol, "and it is of the essence of this Idea that it is also a conspiracy to subvert every social and political order it does not dominate." Because of the anti-democratic nature of the ideology, he argued that Communists do not deserve the constitutional protections that define the society they seek to destroy. Thus, Kristol had no problem denying Communists civil service jobs, just as he would have no problem forbidding Nazis from teaching in a Jewish neighborhood or discouraging a businessman from paying "a handsome salary to someone pledged to his 'liquidation.'"

It was Kristol's analysis of McCarthyism that made this article so distinctive. While Kristol characterized Joseph McCarthy as a "vulgar demagogue," he resisted the tendency of many of his colleagues to lionize the targets of the Senator. On the contrary, he ridiculed the alleged subversives for their intellectual cowardice in hiding behind the Fifth Amendment and refusing to defend their beliefs when pressed. Kristol reserved as much obloquy for their liberal defenders, who could not understand that the opposite of a wrong (McCarthy in this case) was not automatically a right. It is on this topic that Kristol penned one of the most quoted and controversial lines published in the 1950s. "For there is one thing that the American people know about Senator McCarthy: he, like them, is unequivocally anti-Communist. About the spokesmen for American liberalism, they feel they know no such thing. And with some justification."

Kristol's writings about Communism demonstrated above all an understanding of complexity and a distrust of ideology. While most Americans either sided with McCarthy or with his targets, Kristol was one of the few able to see that both could be wrong. Even in the most polar of times, Kristol was strong enough to avoid being drawn to an extreme, as most of his contemporaries were.

Kristol's appreciation of complexity explains why he was so opposed to abstract ideologies. He understood that people are too complex for a scientific system like Marxism to manage. Ideas and ideologies that try to perfect the world neglect the mixture of good and evil in human nature. Even the most flawless theory has unintended consequences when put into practice. This philosophy stayed with Kristol, and has constantly informed his work. It is most significantly manifest in the journal that he founded and edits, the *Public Interest.*

Character and the Public Interest

The *Public Interest* was founded as a forum for empirical analysis of the burgeoning welfare state. It espoused no philosophical opposition to government programs. If a government program could help the people it intended to, Kristol and his colleagues would support it. The *Public Interest* was distinctively non-ideological in the sense that it was not committed to a particular way to get from Point A to Point B. Sociologist and current co-editor Nathan Glazer describes this characteristic of the magazine's early years best in his contribution to the 20th-anniversary issue, "Interests and Passions," where Glazer writes of the early *Public Interest,*

> A principled opposition to government involvement in these areas did not need to be discussed: It was clearly "ideological," just as Marxist insistence on the necessary conflict between the social classes was ideological. Rather, the proper scope of argument over arrangements in these areas was technical, and among these, policies that made use of

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> economic incentives to achieve publicly beneficial action....But this was not considered ideological; this was practical, in avoiding costs and heightening efficiency.

The men who wrote for the *Public Interest* were some of America's foremost social scientists. Regular contributors included many of the familiar names of neoconservatism—Kristol, Glazer, Seymour Martin Lipset, Daniel Patrick Moynihan, Edward Banfield, James Coleman, James Q. Wilson, Roger Starr, Thomas Sowell, and Daniel Bell. The works of Jude Wanniski on supply-side economics, Charles Murray on poverty, and Lawrence Mead on welfare were launched in the pages of this journal. The primary weapon of the writers for the *Public Interest* was "the law of unintended consequences," which was used to show the multiple of negative effects that can arise from the pursuit of a single good. Not only was the work incisive and prescient, but it was lasting; many leading graduate programs in government and public policy assign back issues of the *Public Interest* as required reading.

Though the early issues of the *Public Interest* reflected what Daniel Bell called "the end of ideology"—the idea that all policy problems could be solved technically—changes started to occur in the 1970s. In 1971, constitutional scholar Walter Berns wrote a lead article advocating the censorship of pornography, and Bell questioned fundamental aspects of capitalism in a subsequent essay. Kristol responded to these changes in a 1972 Editor's Note, in which he wrote that social science would no longer be enough for the *Public Interest*. Rather, questions about the "ultimate goals" of society would have to be asked, because the political problems of the day demanded it. Kristol determined this as he came to the realization that anti-pollution advocates were not only railing against dirty air but against technology, and consumer advocates were not complaining about labeling but about free enterprise. Fundamentals of political philosophy and human nature could no longer escape examination in the pages of the magazine.

Kristol's decision to move the *Public Interest* from sociological critique to moral questioning reflected a change in neoconservatism. Any remaining idealism from the liberal pasts of many of these writers was now gone. The belief that human nature was fundamentally good and that people would prosper if only given the proper utensils was now understood to be fallacious.

James Q. Wilson explored this change in his 1985 essay, "The Rediscovery of Character: Private Virtue and Public Policy." Wilson shows how many of the early articles in the *Public Interest* calling for policies, such as a negative income tax or family allowances, have been disavowed by their authors because they do not take into account the character of the recipients. As Wilson wrote in exploring the new-found importance of character to the writers for the *Public Interest*, "But for most social problems that deeply trouble us, the need is to explore, carefully and experimentally, ways of strengthening the formation of character among the very young. In the long run, the public interest depends on private virtue."

Photofest

In 1952 Kristol called Joe McCarthy (pictured here) a "vulgar demagogue" but praised his unequivocal anti-Communism.

Defender of Faith

Perhaps the most significant manifestation of Kristol's conservatism has been in his writings on religion. Considering that Kristol wrote about religion in the 1940s and did not return to the subject until the 1980s, his thoughts display a remarkable continuity. In both decades, Kristol laments faith in pure reason, political liberalism, and, most of all, the domination of secular humanism over traditional religion.

In "The Future of American Jewry," published in *Commentary* in August 1991, Kristol defined secular humanism as a religion in disguise that "can be summed up in one phrase: 'Man makes himself.' That is to say, the universe is bereft of transcendental meaning, it has no inherent teleology, and it is within the power of humanity to comprehend natural phenomena and to control and manipulate them so as to improve the human estate." The tool of the secular humanist is his reason, which he uses to understand and infinitely improve the world.

Kristol argued that the philosophy of secular humanism strikes a dagger at the heart of religion. While secular humanism teaches that man can distinguish right from wrong through reason, religion instructs him to look to tradition, faith, and the collective wisdom embedded in history. Because secular humanism is so focused on the individual's exercise of his reason, it cannot provide the transcendent moral structure that

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Photofest

Kristol faulted psychoanalysis for seeking to replace the lessons of religion with a formula for happiness supposedly based on reason.

religion can. Kristol contended that secular humanism "is the source of a spiritual disarray that is at the root of moral chaos."

In seeking to fill the spiritual void created by secular humanism, man has turned to numerous chimeras. One is political liberalism, which, like secular humanism, is intensely melioristic. Kristol explored the contradictions between liberalism and religion in several articles in *Commentary* in the late 1940s. These articles generally focused on his fellow Jews, whom he regarded as especially susceptible to secular humanism because of the orientation toward good deeds that is so central to the religion. But his critique was not limited to Judaism; he wrote with great passion about the tendency of liberalism to tell man that doing good is the sole meaning of religion. He especially decried "the transformation of Messianism into a shallow, if sincere, humanitarianism, plus a thoroughgoing insensitivity to present spiritual problems."

Kristol has likewise been critical of another attempt to fill the spiritual void created by secular humanism. In a 1949 *Commentary* article, "God and the Psychoanalysts," Kristol faulted Freud for seeking to replace the lessons of religion with a formula for happiness and fulfillment supposedly based on scientific reason. Even worse, suggested Kristol, was the extension of psychoanalysis into the domain of religion itself. Kristol quoted the dean of Hebrew Union College, a major Jewish seminary, who declared that religious teachings should be screened to examine whether "they strengthen or weaken the mental and emotional health of the common man." As Kristol saw it, secular humanism was threatening religion not only from without, but from within.

Alienated Intellectuals

Kristol also attributes to the loss of religious faith what the great literary critic Lionel Trilling has termed "the adversary culture." The adversary culture is composed of the permanently disaffected and alienated members of society who wear tie-dyes instead of ties, prefer the Third World (or any world, for that matter) to the United States, and smoke pot instead of salmon. No longer believing in God or country, the adversary culture is stumbling in a blinding whirl of protests, complaints, and arguments in search of that nexus of spiritual meaning that all people need to survive.

Kristol explored the historical roots of the adversary culture in several essays from the mid 1970s. Most of these are found in his 1983 collection, *Reflections of a Neoconservative.* In these essays, Kristol contended that the adversary culture is the intellectual descendant of the French Enlightenment. Like the adversary culture, the French Enlightenment and the French Revolution rejected religion with all of its built-in checks on man's power to change the world. The refrain of the revolution was "Universal Regeneration of Mankind," and it sought to destroy any institution or tradition that could not be justified by reason. For the first time, the realization of utopian fantasy was seen as a real possibility. While previous crafters of the model society, from Plato to Thomas More, knew that any attempt to realize their dreams would lead to horrific unintended consequences, the Jacobins had no such scruples. Kristol held the French Revolution accountable not only for the adversary culture, but for more pernicious forms of utopianism, such as Marxism and Nazism.

In the contemporary United States, Kristol has argued that the adversary culture is sustained mostly by university professors who are alienated from and disillusioned by bourgeois society. Mass higher education has spawned a vast population of intellectuals who accept the benefits of free time and tenure, and proceed to rail against the capitalist society that supports their lifestyle.

Kristol contends that these intellectuals are a historical anomaly. For the first time, bourgeois society has intellectuals who find themselves at odds with the goals of society rather than the failure of the citizenry to reach those goals. They feel superior to bourgeois society, which they regard as unambitious and boring. As Kristol has written, "the class of people we call intellectuals—poets, novelists, painters, men of letters—has never accepted the bourgeois notion of the common good...[they regard bourgeois standards as] a 'vulgar' conception of the common good—there is no high nobility of purpose, no selfless devotion to transcendental ends, no awe-inspiring heroism."

While the intellectuals have stayed cloistered in their ivory towers, their students have descended upon the real world as what Kristol has called "the new class." Kristol characterizes the new class as "scientists, lawyers, city planners, social workers, educators, criminologists, sociologists, public health doctors...[who] find their careers in the expanding public sector rather than the private...[who] are acting upon a hidden agenda: to

Most leading conservative policy ideas today are in the neoconservative tradition.

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propel the nation...toward an economic system so stringently regulated in detail as to fulfill many of the traditional anticapitalist aspirations of the left."

Their favorite word is "externality," which they use to justify the transfer goods and money from the private sector to the public sector through the government agencies that they staff. While they may speak in the language of environmental concern or safety, there is a deeper meaning. As Kristol wrote, "They may speak about 'equality'; they may even be obsessed with statistics and pseudostatistics about equality; but it is a religious vacuum—a lack of meaning in their own lives, and the absence of a sense of larger purpose in their society—that terrifies them and provokes them to alienation and unappeasable indignation."

The Moral Roots of Capitalism

Kristol entitled his collection of essays dealing with economic issues *Two Cheers for Capitalism.* No economic system, Kristol contended, can earn that third cheer by itself. Economies supply only goods, not the good. As one of capitalism's greatest champions, as well as one of its toughest critics, Irving Kristol believes that the best economic system is a free market embedded in traditional religious values.

Lacking utopian fantasies, bourgeois society is content and does not seek to remake the world. It understands the restraints of history and the demands of tradition that are essential to religion. It is, as Kristol says, "primarily a society oriented toward satisfying the ambitions of ordinary men and women. These are modest ambitions....They are...domestic ambitions: bettering the economic conditions of one's family, moving from a 'rough' neighborhood to a 'nice' neighborhood, and above all offering one's children the possibility of moving still further ahead in economic and social status."

Capitalism is the only economic system for bourgeois society. Through the voluntary exchange of the marketplace, individual needs can be satisfied no matter how mundane they may be. The successful capitalist must know the needs of his community and what changes it would consider better rather than worse. If he becomes alienated and loses touch with his neighbors, he will not produce what they need and will not prosper. Capitalism is not an economic philosophy of utopianism; it is one of practicality. Kristol contends that capitalism must be embedded with the understanding that the point of an economy is only to materially supply the people. A successful capitalist economy will subsequently provide people with the free time to pursue the higher and finer things in life. But to work effectively, a market economy requires a set of moral values that come from outside capitalism.

Thus, capitalism and a religiously based moral society are ultimately dependent on one another. In order for a market economy to prosper, it cannot be orphaned from the bourgeois society that supports it. Capitalism provides the things a bourgeois society needs to survive, and bourgeois society provides the moral basis that the market needs to function effectively. As Kristol said in his Francis Boyer lecture at the American Enterprise Institute in 1991, "If you de-legitimize this bourgeois society, the market economy—almost incidentally, as it were—is also de-legitimized. It is for this reason that radical feminism today is a far more potent enemy of capitalism than radical trade unionism."

Kristol contends that the most destructive forces against capitalism are those that threaten the social fabric. In order for capitalism to work, it needs to be embedded in a stable and morally confident culture. That is why radical feminism, which seeks to change the fundamental arrangements of society, is so detrimental for a market economy. While capitalism can produce the wealth that an adversary culture needs to prosper, it cannot withstand the onslaught against bourgeois values that it promulgates.

According to Kristol, the essential spirit of American capitalism was captured by Horatio Alger, the author of the popular boy's stories from the 19th century. Alger's protagonists "insist[ed] on a continuity between private ethics and the social ethic of a good society." Their profits were garnered while they were practicing "the bourgeois virtues [of] probity, diligence, thrift, self-reliance, self-respect, candor, [and] fair dealing."

"The Last, Best Hope of Democratic Capitalism"

Kristol's vision of a morally based capitalism has intellectual roots in the Anglo-Scottish Enlightenment and its progeny, the American Revolution. Even the original capitalist thinker, Adam Smith, believed that free markets could only work in an atmosphere and a society where conventional morality was practiced. In formulating this theory, Smith did not even consider a society without what Kristol calls "the Puritan ethic, the Protestant ethic, the capitalist ethic...frugality, industry, sobriety, reliability, piety." Smith felt that he could afford to be unconcerned with art and culture, with such affectations left in the hands of the ultimately sensible population. As Kristol said of Smith, "That amiable, decent genius simply could not imagine a world where traditional moral certainties could be effectively challenged and repudiated."

Kristol sharply criticizes business executives for failing to defend bourgeois culture.

As Smith realized, self-interest alone could never guide a society to the good. That same self-interest that drives capitalism has to be honed and disciplined by morality and religion in order for a society to prosper. Thus, as Kristol points out, it was possible for the capitalist Adam Smith and the traditionalist Edmund Burke to respect and admire one another. This was so because they "saw no intrinsic difficulty in reconciling the commercial spirit, with its emphasis on individual liberty, to the prescriptive claims of traditional institutions and traditional modes of individual behavior."

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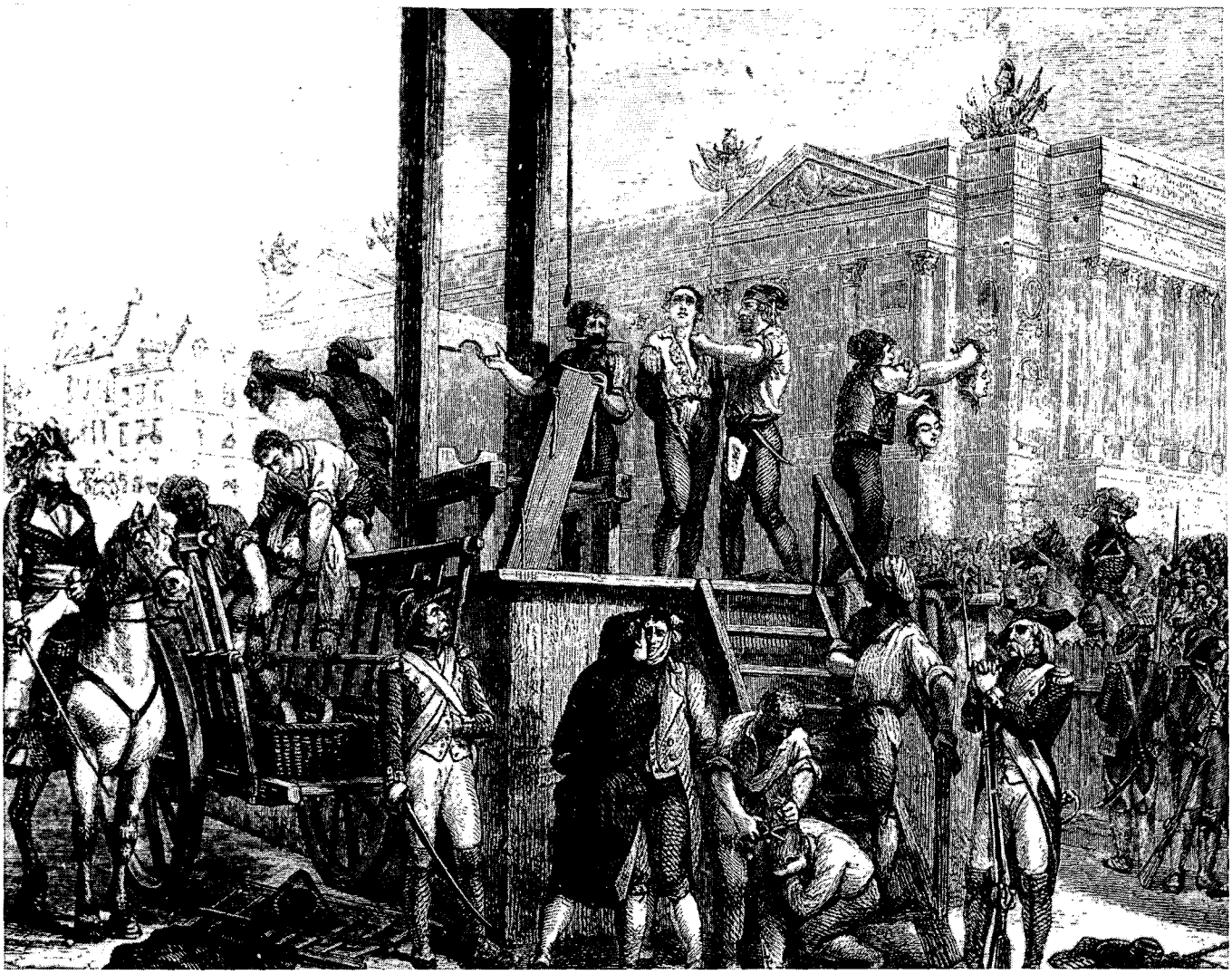

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Kristol traces the adversary culture in American intellectual life to the bloody utopianism of the French Revolution.

Kristol reveres the American Founders for establishing a conservative political system in the wake of a revolution. The American Revolution was, in the words of Tocqueville, a revolution marked by "a love of order and law." Their temperament was so conservative that, as Kristol describes in a 1976 essay, "The American Revolution as a Successful Revolution," "[they] went on to create the new political order, held the highest elected positions in this order, and all died in bed." Kristol maintains that the greatest product of this Revolution, the Constitution, is "dry, legalistic, and lacking in eloquence."

Kristol has been sharply critical of contemporary business executives for failing to sustain a culture in which capitalism can thrive. Unlike the days of Horatio Alger, when everyone knew about Harriman, Rockefeller, and Mellon, "Not only do we not know who the chairman of General Motors is; we know so little about the kind of person who holds such a position that we have not the faintest ideas as to whether or not we want our children to grow up like him." As a result, the anti-capitalist adversary culture has a target with no armor of respect or virtue to protect it.

Business executives, according to Kristol, have similarly failed to understand the indispensability of a bourgeois culture to their enterprises, and therefore have never sought to defend it against its attackers. Instead of defining the legitimacy and benefits of their operation to the American people, businessmen focus on being "socially responsible" by serving as university trustees and on museum boards. They subsequently find themselves either supporting or apologizing for the cultural Left that is set to destroy them.

Kristol has been harshest of all in criticizing businessmen who profit directly from the adversary culture, seeing "nihilism not as an enemy, but rather as just another splendid business opportunity." Blind to the self-destruction generated by supplying a culture fundamentally at odds with its principles, Warner Brothers defends profiting from the sale of the lyrics of Ice-T and CBS celebrates single-parent households in *Murphy Brown*.

Since businessmen were not going to save capitalism, Kristol set out to do it for them. It is in this vein that Irving Kristol embraced supply-side economics. The point of supply-side economics was to cut tax rates to spark the entrepreneurial spirit that would increase investment. More important, Kristol regarded supply-side

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economics as the way to bring America back to a moral and personalized capitalism. As he said, "[It is] the last, best hope for democratic capitalism in America, and if it fails—well, then conservatives can concentrate on nostalgic poetry and forget about political economy."

Not wanting to spend the long nights pouring through dusty volumes of Coleridge and Eliot, Kristol played a key role in the development and promulgation of the theory of supply-side economics. He published the first popular article on supply-side economics in a Jude Wanniski article in the *Public Interest* in 1975. He then arranged for Wanniski to spend a year at American Enterprise Institute, where he wrote *The Way the World Works.* Kristol also arranged a meeting between Wanniski and Congressman Jack Kemp, who in turn enthusiastically embraced supply-side economics and became its greatest champion on Capitol Hill.

Neos and Libertarians

Irving Kristol is often called "the godfather of the neoconservatives." He accepts the political label, quipping that "a neoconservative is a liberal who has been mugged by reality." (Another way of putting it may be that a neoconservative is a conservative who didn't vote for Goldwater.) Neoconservatives share the traditional conservative skepticism about modernity, the liberal belief in a welfare state, and the practical man's distrust of ideology. The familiar names of neoconservatism are Irving Kristol, Daniel Bell, Nathan Glazer, Norman Podhoretz, Jeane Kirkpatrick, Richard John Neuhaus, Daniel Patrick Moynihan, Midge Decter, William J. Bennett, Seymour Martin Lipset, James Q. Wilson, Aaron Wildavsky, and many others. This is such a politically diverse group—Bell, Glazer, Moynihan, and Lipset, for example, never joined Kristol, Bennett, and Kirkpatrick in the ranks of conservative Republicans—that many observers have suggested that the term "neoconservative" no longer has any meaning.

The term is still valuable, however, in describing a grudging willingness to accept a certain number of government programs. In this sense, almost all conservatives active in politics and most in the intellectual world are neoconservatives. Even Ronald Reagan, for all his anti-government rhetoric, in practice made his peace with Social Security, federal civil-rights laws, and other government programs that Barry Goldwater campaigned against in 1964. Almost every leading conservative-policy idea today—from vouchers for private schools to consumer choice health plans to tenant management of public housing—involves some acceptance of the role of government in social policy and is therefore in the neoconservative tradition.

The most important conservative criticisms of Kristol and the neoconservatives, therefore, come from libertarians upset with what they call "big-government conservatism"—an acquiescence of the neoconservatives to a large federal government in Washington. Kristol returns the criticism; he has faulted libertarian thinkers from Bernard Mandeville to Ludwig von Mises for failing to understand the way in which capitalism is dependent upon a bourgeois society embedded with traditional religious virtue. Kristol contends that libertarians are dead wrong in thinking that capitalism can run on automatic pilot with everyone acting in their own self-interest. The nihilistic libertarian theory of "whatever is, is just" that runs through their writings is anathema to neoconservatives who agree with James Q. Wilson that "the public interest depends on private virtue."

Kristol considers nihilism "*the* problem in our future."

Kristol now lives in Washington, where he maintains a morning office at the *Public Interest* and an afternoon office at the American Enterprise Institute. His greatest influence on American politics probably comes through his son William, who is the chief of staff to Vice President Dan Quayle, and is universally regarded as one of the best conservative minds in Washington.

The elder Kristol's greatest concern about America has to do more with culture than politics. Kristol considers nihilism "*the* problem in our future." Against this enemy, he has devoted his lifework to defending capitalism, the American political tradition, and bourgeois civilization grounded in religious truth.

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"Tractor-Seat Common Sense"

Representative Charles W. Stenholm on the Rise of the Centrist Democrats

An Interview by Adam Meyerson

For the first time since the early 1980s, a large number of Democrats in the House of Representatives are identifying themselves as moderates and conservatives. These Democrats frequently side with the Republicans on military and defense issues, a balanced-budget amendment, and social issues such as child care and abortion; they have opposed their party leadership's plans for a nationalized health insurance system. They generally favor higher taxes and higher federal spending than do Republicans—but not as high as the Democratic congressional leadership.

The leader of these Democrats is Representative Charles W. Stenholm, now in his seventh term representing the 17th District of Texas. Stenholm heads the Conservative Democratic Forum, which now includes 59 members, and is likely to be an even more influential swing force in the next Congress, particularly if Republicans pick up seats in the House.

In August 1991 Representative Stenholm talked with *Policy Review* editor Adam Meyerson about how he and his CDF colleagues think about government.

Policy Review: **You're head of the Conservative Democratic Forum, a group of 59 moderate to conservative Democrats in the House of Representatives. What are the most important ways you and your colleagues in the CDF differ from the liberal majority among House Democrats? What are the most important ways you differ from House Republicans?**

Stenholm: Our liberal colleagues believe much more than we do that the government can solve problems. Conservative Democrats believe that government has a role to play, but the federal role should be minimal. Liberals believe it should be maximal.

Our difference with the Republicans is that they are dominated by an ultra-conservative minority that believes there is no role for government. Even though we believe in minimal government, we believe government has a role to play and that it should be effective in that role.

I try to apply the "West Texas Tractor-Seat Common Sense Rule" to public policy: "How much sense would this idea make to guys gathered down at the Sweetwater coffee shop?" Many of my CDF colleagues take the same practical approach. We recognize that the government has responsibilities to the American people, but at some point one of those responsibilities is to get out of the way and let them live their own lives.

P.R.: **Conservative Democrats in the Congress gave Ronald Reagan his margin of victory on the key tax and spending cuts and defense buildup votes of the early 1980s, but seem to have played a less independent role after the 1982 elections. Are we now seeing a resurgence of an independent conservative Democratic bloc, and if so, why?**

Stenholm: The CDF has more members today than in 1981. More important, we have more task forces and more individual members willing to take the time and the effort to be a player in some of the issues.

Most of our members are running for reelection, and my prediction is that very few conservative and moderate-conservative Democratic incumbents are going to be defeated. Many of the new Democrats who will be coming to the next Congress will be conservative. I also think we'll pick up some incumbents who haven't joined us yet. So I don't think there's any question that our membership will be larger next year, and that conservative Democrats will play a more important role in the next House of Representatives.

P.R.: **How do you respond to speculation that Republicans and conservative Democrats might hook up to support you for Speaker of the House in the next Congress?**

Stenholm: I do not believe that it is practical to expect that outcome of this year's elections.

The talk about my running has always come from other folks, not me. Earlier in the year I said I wasn't running for the Speakership, but that I wouldn't run away from it if my colleagues asked me to provide an alternative. It has become evident to me in recent weeks that the Speaker has done a good job of shoring up support within our party, and I'm not looking for a

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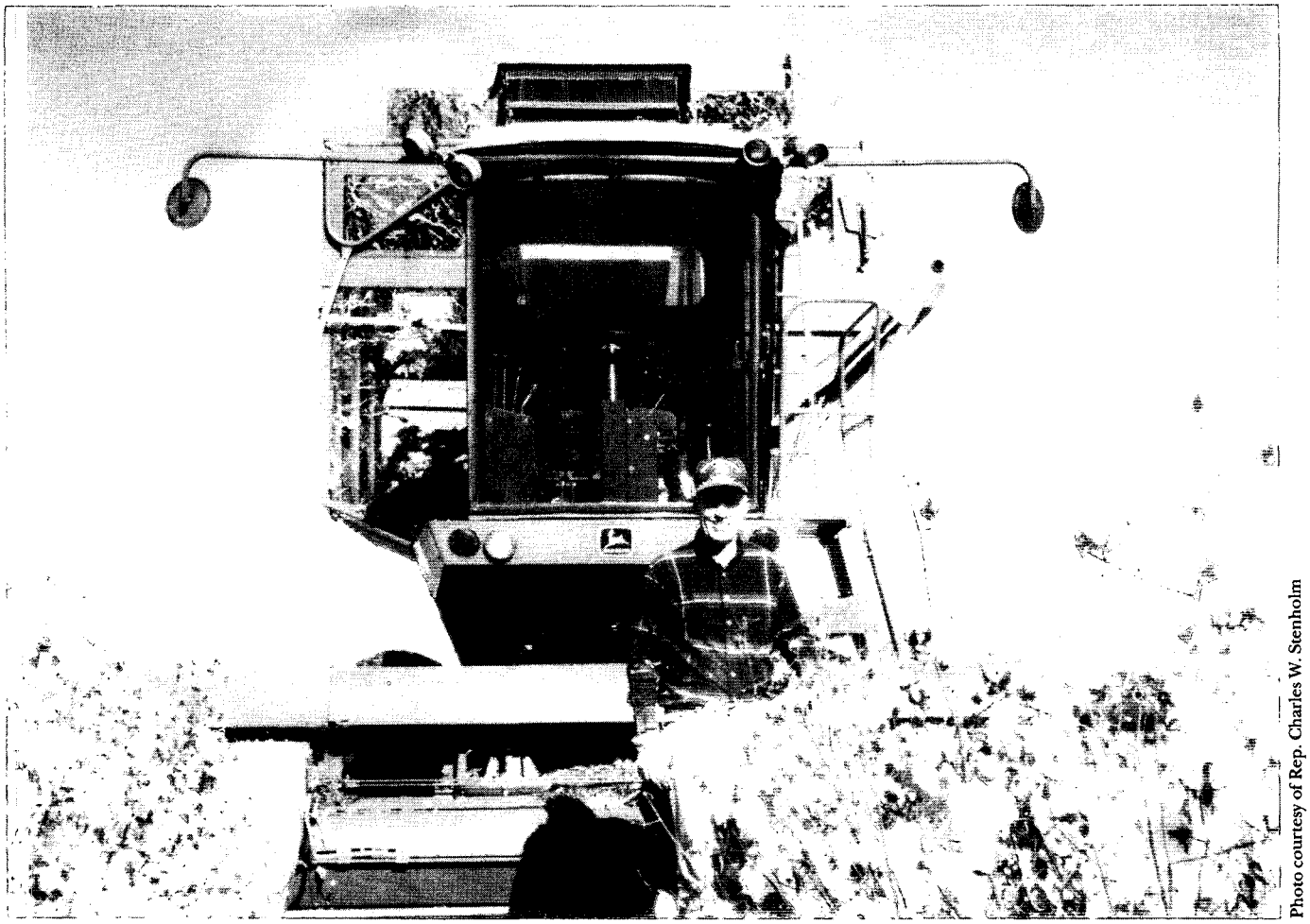

Photo courtesy of Rep. Charles W. Stenholm

Representative Charles W. Stenholm on his cotton stripper. "Government has responsibilities to the American people. One is to get out of the way and let people live their own lives."

quixotic quest. That doesn't mean I plan to stop pressing the Speaker for changes that I believe will improve the operations of the House internally, or raise the esteem in which we're held by the public.

P.R.: **Why are we seeing so much voter disaffection from Congress this year as opposed to earlier years? And how can Democrats, who have been running the House for the past 37 years and the Senate for the past five years, best appeal to voters clamoring for change? Isn't the congressional leadership part of the problem?**

Stenholm: Dissatisfaction with the Congress has been gradually building over the last several years. Part of it is the direct result of the activities of some members of the other party who have sought to destroy public confidence in the institution of Congress in order that their party might become the majority party. And I think they've been relatively successful in damaging the institution's image.

That notwithstanding, some of the Republican complaints about Congress are entirely justified. In fact, conservative Democrats have some of the same complaints. The difference is that conservative Democrats think we will be more effective not by going public, but by pushing for reforms within the institution. I would submit that this approach gets a better result in the long term.

P.R.: **What do you think voters are the most upset about with the Congress?**

Stenholm: Let me tell you about the voters I know best, the people of the 17th District of Texas. They're frightened. We have seen a tremendous decline in rural America, which is my district. We have seen lost jobs. We have seen bankruptcies. We've seen lost businesses. We've seen a decline in population. The people believe it's time for a change. They may not think Washington caused these problems, but they feel Washington hasn't done much to stop them.

The people in my district are frightened of fiscal deficits. They have witnessed what happens when they and their neighbors borrow more than their cash flow will pay back, and the bankruptcy that it implies, and they're frightened that the federal government is heading in that direction. My constituents would like to see us do something about balancing the budget. They're willing to do their part; they'd just like to see us do ours. They perceive inaction.

They're tired, too, of divided government. They're tired of the president blaming everything that's wrong

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with the economy on Congress and others, and not accepting any blame himself. They're tired of Congress blaming everything on the president, and not accepting any responsibility or blame. They'd like to see somebody bold, like Harry Truman saying, "The buck stops here."

***P.R.:* What institutional reforms of Congress do you think should be highest on the agenda of the next Congress?**

Stenholm: First, we need to eliminate unnecessary committees and streamline the rest. We should limit the terms of committee chairmen. A few committee chairmen have amassed too much power as a result of chairing an important committee for a long time, and have used this power to perpetuate the status quo and stifle new and creative ideas.

I also think we should subject Congress to a lot more of the laws that we pass. It could change some opinions here about the infinite and superior wisdom of Congress if members of Congress had to deal with the mandates we impose on everyone else.

Next, we need to make the process more open. We should have fewer restrictions in rules so that all serious amendments can be debated fully.

I continue to believe that we need a constitutional amendment to balance the budget. A constitutional amendment will not balance the budget by itself, but it is a necessary tool to force Congress and the president to make the tough choices to reduce the deficit. Too often, we duck the tough choices by taking the easy way out and borrowing money.

We need to increase the openness and accountability of the budget process in other ways. We should enact reforms like truth-in-legislating, which would require the disclosure, in plain English, of who would benefit from narrowly drawn provisions in tax and spending bills, and enhanced rescission, which would require that Congress vote up-or-down on individual spending programs that the president proposes to eliminate.

"I believe that the family should be able to make the major decisions about child care, not the federal government."

***P.R.:* You've endorsed Governor Clinton. Do you think he's changed the ideological direction of the national Democratic Party?**

Stenholm: There's no question about it. The convention was a tremendous success. His campaigning after the convention has shown a determined effort to regain what we Democrats once had: the support of middle America. I'm very pleased at the perception that the party has changed, and we intend to do everything in our power to see that the perception persists and becomes a reality.

***P.R.:* Which previous Democratic candidates do you think Clinton most resembles and most differs from?**

Stenholm: He's most like John F. Kennedy and Harry Truman. I am hopeful he's going to be a "hands-on" president who will say, as Truman did, "The buck stops here." If he is elected president, he will have a Democratic Senate and a Democratic House. That means the Democratic Party is going to be held accountable. Kennedy and Truman were willing to make decisions, sometimes very unpopular decisions, like the face-down in the Cuban missile crisis and dropping the atom bomb. It's time for that kind of leadership, and I think Clinton has the potential to provide it.

Clinton definitely differs from Dukakis and McGovern. I remember when I first got involved in the Democratic Party, I was an alternate delegate for "Anybody But McGovern." McGovern's ideas about an all-powerful government, his views that government should do everything for everybody, were so far from what I believed that I resolved at that time to do my best to return the Democratic Party to what it was like before McGovern. And it's interesting—today McGovern agrees with a lot of what my constituents have always thought about the role of government in the lives of Americans! Even though Bill Clinton did work for McGovern at the time, I think he's learned from his mistakes in the same way his old boss did.

***P.R.:* Which candidate do you think follows more in the Reagan tradition: Clinton or Bush?**

Stenholm: Neither.

***P.R.:* Should Governor Clinton be elected, what would you most like to see him do in his first 100 days?**

Stenholm: I'd like to see him, with the Congress, develop a new economic game plan for growth and investment that will simultaneously deal with our fiscal deficit and make the hard choices for budget priorities. The only time you can have that window of opportunity is in that first hundred days of an administration. Then, when the budget is balanced and back on track, the government should get out of the way of the people and let the people make decisions.

***P.R.:* You were chief sponsor of a balanced-budget amendment that almost passed the House this year—one that, unlike some Republican alternatives, contained no limits on tax increases. Why is it so important for the federal government to balance its budget?**

Stenholm: Government has to balance its budget for the same reason families and everyone else have to

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balance theirs. Sooner or later, if you borrow too much, the bills catch up with you, and you go bankrupt.

The most effective argument we made for the balanced-budget amendment was the need to protect future generations from our borrowing today. I don't know of anyone who would say that they want more today even though it means their grandchildren will have less tomorrow. But that's what our deficit means.

We also have to recognize that it's going to be harder to attract capital in a world that has changed dramatically. When Europe '92 becomes a reality, it will be a very powerful economic bloc, the largest single trading bloc the world has ever known. We already recognize the economic resurgence of Japan. Now, with the collapse of the Soviet Union and Eastern Europe, tremendous economic changes are going to happen there. The demands for capital are going to be enormous, and it will be harder to support our deficit-spending habits for consumption in a world that's going to be demanding capital investments for infrastructure and growth.

I'd like to correct a comment you made about my balanced-budget amendment not having a limitation on tax increases. Although it is true that my amendment did not include a three-fifths majority vote to raise taxes, as the Republican alternative did, it did include serious tax limitation. My amendment required that the majority of the whole House and Senate—not just those present and voting—vote in a recorded vote to raise taxes.

In today's political climate, I know of no harder vote that any Congressman must cast than an on-the-record vote to raise taxes. My amendment, including the tax limitation section, was a consensus position supported by conservatives and liberals, Democrats and Republicans, and came within nine votes of being passed by the House. The fact is, the alternative requiring a three-fifths vote to raise taxes didn't have a chance of getting the two-thirds support needed for a constitutional amendment.

P.R.: **Why are you willing to accept some tax increases as part of a deficit-reduction package?**

Stenholm: I've always said I would accept $2 in spending reductions for every $1 in real tax increases applied to the deficit. Interestingly, we have been able to do better than that: the House Budget Committee has put together a budget-enforcement package that includes $4 in spending reductions for every $1 in tax increases.

In practical terms, the reason I'm willing to accept tax increases is that it's the only way we're going to get 218 votes in the House to reduce the deficit. I also think we need the threat of tax increases if we're unable to compromise and balance the budget by spending cuts alone. If you always allow people to say, "I oppose higher taxes. I am for spending reductions," but you can never get more than 50 people to vote with you on specific spending cuts, then the budget will stay unbalanced. So I accept higher taxes applied to the deficit. I absolutely oppose increased taxes for additional spending.

P.R.: **You've said you regret having voted for tax cuts in 1981.**

Stenholm: I wish there had been a constitutional amendment requiring a balanced budget in 1980. We would never have made the mistake we made—tax reductions without the spending reductions that should have gone with them. We clearly got carried away.

Supply-side economics as it was practiced—and even the theory of supply-side economics—promised more than it could guarantee. But we gave it a chance. We could have done a much better job. In retrospect, we should have said, "Yes, we're going to cut the taxes, but you're going to get the benefits of these tax reductions only so long as you make productive investments, rather than consumptive decisions." If we had done something like that, we never would have seen an increased debt of $3 trillion over the last 10 years.

I accept my one-435th share of the blame. Americans now owe $4 trillion. I still believe in the general principles and the direction we were trying to go with the tax cuts, but we failed in implementing the policy.

"I accept **higher taxes** applied to the deficit. I **absolutely** oppose **increased** taxes for **additional spending.**"

P.R.: **What principles should the president and Congress pursue in bringing down federal spending?**

Stenholm: Cut spending straight across the board, no exceptions. Then, from a level playing field, choose a few priorities where we need to improve and spend more, nutrition for young children for example.

I was impressed tremendously with the CEOs from four of the largest U.S. corporations, who testified before the Budget Committee last year on behalf of full funding for WIC—the Women, Infants, and Children nutrition program. They said, "We hire tens of thousands of people every year. We have to retrain 70 percent of them. So we started looking for a scapegoat. We looked at colleges, we looked at the high schools, we looked at the grade schools, we looked at all the education system. And we finally came to the conclusion that we've got to start with the child in the womb. We have to make sure that children in the womb, and through the formative years, get a nutritious, balanced diet so they grow in such a way that they can learn." That made a lot of sense to me. It was prioritization at its best.

P.R.: **I'm not sure I understand. You want a cut across the board....**

Stenholm: But at the same time increase spending on programs that work. We also have to eliminate the programs that work less well. As far as I know, Congress

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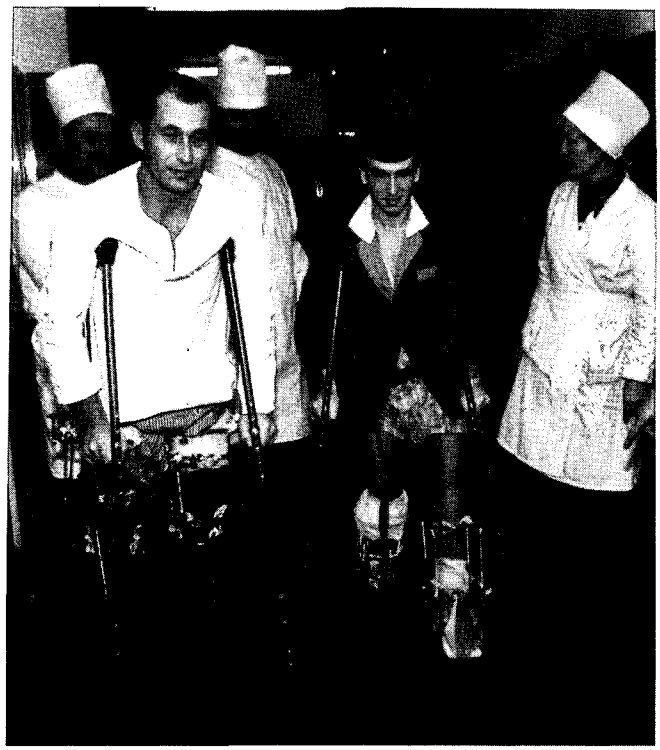

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"You only have to look at the example of the Soviet Union if you think the federal government can make health-care decisions."

and the president haven't cut out a single program in recent years. And in the appropriations process we just keep funding everything.

***P.R.:* What are some examples of programs you want to cut out?**

Stenholm: My voting record will show a number of programs that I believe the government could do without. I have supported repeal of the Davis–Bacon wage laws, which raise the cost of federally funded construction projects. I also don't think we can afford nonessential defense expenditures like the *Seawolf* submarine.

The National Endowment for the Arts has funded some so-called artwork that I find absolutely offensive, and that the vast majority of citizens do not wish to support with their tax dollars. That's why I offered an amendment several years ago to reduce NEA funding by the amount of those offensive grants. I still believe that the vast majority of NEA money is put to good use, but with our current deficit, I can no longer support any NEA funding. I choose to support the arts with my personal funds, but when there are still children who need vaccines or Head Start training, I can't select the NEA as a budget priority for our country.

***P.R.:* How much do you think defense spending can be brought down over the next five years or so?**

Stenholm: I don't want to put a number on it, but we've already seen a slow, gradual decline over the last few years, and I expect this to continue, assuming no major problems like Desert Storm pop up again. There is no peace dividend, though, while we're running a $300-billion deficit.

***P.R.:* You're one of the few farmers in Congress, and have played a key role on the House Agriculture Committee, especially the Livestock, Dairy, and Poultry subcommittee where you are chairman. How, with a $330 billion deficit, can you justify the more than $10 billion American taxpayers spend on farm subsidies? And how can you justify the tens of billions in higher prices consumers must pay because of peanut and sugar quotas, price supports for cotton, grains, and milk, and other farm programs deliberately intended to raise prices?**

Stenholm: America has the most abundant, safest, highest quality, and least expensive food supply of any country in the world. No one comes close to feeding their people better and more cheaply than we do, even when you add in the subsidies. We should never make an apology for our farm programs.

Having said that, can we make our farm programs better? Obviously we must, because even with all the programs we have, we haven't stopped the slow and steady collapse of family farming in this country. We have chosen to become world-market oriented, and our subsidies have cushioned the impact of this decision on family farmers. If we had eliminated these subsidies, there would have been an economic disaster of major proportion in rural America. We constantly have to look at better ways to protect family farms.

***P.R.:* Do you think the farmers of America would accept a major reduction in farm subsidies if it were a part of a serious overall deficit-reduction package?**

Stenholm: They already have. In the budget-enforcement act of 1990, farmers took a 15-percent cut in the entitlement nature of their farm programs. The 1985 farm bill froze target prices based on the previous five years. The 1990 farm bill froze them again, so the farmers have accepted frozen prices with no cost-of-living adjustment for 10 years. And yet our critics say it's not enough. I defy any senior citizen on Social Security to come forward and say, "We would have been willing to freeze Social Security for 10 years at 1985 levels."

***P.R.:* What are the most important reforms you'd like to see in Medicare and other entitlement programs?**

Stenholm: First, we need overall health-care reform. We no longer have the luxury of believing that we can reform only Medicare, because every time we reform Medicare/Medicaid by squeezing down on federal expenditures, the cost resurfaces in increased insurance costs for everybody else. So the key to Medicare reform is an overall health-care reform package. It's got to be comprehensive. It must be market-oriented; it cannot be government-dictated.

***P.R.:* In fact, you've been a leader in the House in opposing your party's two leading proposals for health**

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"When there are still children who need vaccines or Head Start training, I can't select arts funding as a budget priority for our country."

care reform—both a Canadian-style national insurance system and the "pay or play" proposal, which would require employers either to offer insurance or pay a higher payroll tax. Why have you opposed these proposals?

Stenholm: Because government-run health care won't work. Government has to be a referee, and play the proper role. You only have to look at the example of the Soviet Union if you think the federal government can make health-care decisions. Managed competition, I think, has the best opportunity of providing the kind of health care reform that we're going to need. We've seen that this policy works in the private sector. It will be relatively easy to superimpose that on the federal sector.

P.R.: **Is the federal government currently involved in any programs that really ought to be state and local responsibilities?**

Stenholm: The federal government is far too involved in too many areas. That's one common complaint I hear from farmers, small business owners, school administrators, school teachers, school boards, hospital boards, and local governments. They say: remove federal mandates on us, and stop insisting that we spend money on programs of very limited value. Where there are federal funds involved, let the government have oversight, but let us have the greater freedom in deciding how to run our local business, and fewer federal mandates.

P.R.: **You played a key role in the child-care legislation of 1990, both in making sure there was no discrimination against religious day care centers, and in emphasizing vouchers and tax credits for parents rather than direct subsidies to day-care centers. Why did you think this issue was so important, and why did you take the stands you did?**

Stenholm: I believe that the family should be able to make the major decisions about child care, not the federal government. The parents are better able to make the proper choices; it is inappropriate for the federal government to superimpose its will in this area.

P.R.: **Does the same logic apply to other subjects, such as education?**

Stenholm: Flexibility is important in education, health-care reform, and agricultural policy. I offered an alternative to the federally mandated family leave bill that said instead of placing an inflexible requirement on businesses that may not be in the best interest of the employer or employee, let's give both sides the flexibility to find an option that is best for both. We should move away from the mandated, one-size-fits-all approach that

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says the federal government knows best, and provide flexibility for different approaches.

***P.R.:* So you would support school vouchers?**

Stenholm: I haven't quite come to that position, because the community-based school system has served us well. My district is rural, and we have the same problem with education funding that we do with health care: how do you provide access to these services in rural communities? How do you provide maximum educational opportunity under a totally free-market system? I've had difficulties understanding how we can have "choice" in rural areas, where there sometimes isn't even a first option, much less a second.

I looked at choice in child care a little differently, because there wasn't a long history of public support for and a pre-existing system of public institutions providing child care. This was the first time we were developing a comprehensive federal policy on child care. Since we had the opportunity of starting from scratch, I felt choice was more achievable and practical in child care.

***P.R.:* You've often said you're in favor of civil rights and opposed to racial quotas. At what point do civil-rights laws intended to remedy past discrimination become discriminatory themselves?**

Stenholm: We may already be in that situation. One reason the arguments over the Civil Rights Act last year were so heated is that our country has already moved in the direction of reverse discrimination, and it's difficult to move away.

I do not believe that, in the area of civil rights, government can guarantee success. What it should do is try to guarantee opportunity. There are those who push too hard in the belief that government can guarantee outcomes and success. It can't be done.

***P.R.:* You take great pride in your West Texas Swedish heritage. What are some of the most important values you learned from this heritage?**

Stenholm: I grew up in a strong community whose center was, and is, the Bethel Lutheran church. We were taught a very firm, fundamental belief in God, and in the impact of Jesus Christ in everyday life. We were taught a strong work ethic, and to help your neighbors when they needed help. And we still instill these beliefs in our children and grandchildren.

***P.R.:* Why did so many immigrants come to America from Sweden in the last century? Are immigrants now coming from Mexico, East Asia, and other parts of the world coming for similar reasons?**

Stenholm: They were starving to death in Sweden, and there was an opportunity to build a better life in America. The immigrants today are coming basically for the same reasons. There are probably a couple billion people who want to come to America for the same reasons.

But we no longer have the luxury of unlimited immigration in this country. I would not want to see it stopped or turned off, but it's impractical to believe that we can have an absolute open door, and that anybody who wants to come here any time for any purpose, regardless of circumstances, has an inherent right. We can't afford that any more than we could back when my ancestors came to America.

P.R.: Who are your greatest heroes in the Democratic Party throughout its history?

Stenholm: Thomas Jefferson was a farmer, a man of tremendous insight. I've often noticed that I do my best thinking sitting on a tractor seat, and I like to think that being a farmer had something to do with Jefferson's wisdom as well. I try to pattern my philosophy of government as much on his as I can. He had a great belief in the people. I also find it fascinating that he supported a balanced-budget amendment. He said if he could have added one more amendment to the Constitution, it would have provided that the government spend no more money than it has.

Harry Truman came into the presidency at a very difficult time. He took the responsibility and was able to make the tough decisions, and yet he stayed basically a common man.

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Women of Valor

Why Israel Doesn't Send Women Into Combat

Martin van Creveld

The experience of Israel is often used to support the case for sending American women into combat. Israel, after all, has a reputation for military strength; if women have proved to be useful in combat there, it surely reinforces the argument for their inclusion in U.S. combat forces.

There is, however, a serious problem with this analogy. No Israeli woman has served in combat since the establishment of the state of Israel in 1948. Even though the Israeli Defense Force (IDF) has very often faced overwhelming odds, we in Israel are very proud that Israeli women have never deliberately been exposed to the risks of combat, not even in the most desperate situations.

The Myth of the Amazons

Women have never taken a major part in combat—in any culture, in any country, in any period of history. The myth of the Amazons is just that—a myth. The few women who did join armies and fight did so disguised as men, and when discovered, were usually summarily discharged. A handful of such cases are known, including some during the American Revolution and the Civil War.

On the other hand, women have always taken part in rebellions and insurrections. In fact, as Marx once said and as the Vietnam War proved, the extent to which women are swept along is a very good index of whether a revolutionary movement will succeed. But once a revolutionary movement has succeeded, an established state does not send its women into combat. This rule holds true for the Israeli armed forces.

Before 1948 the Jewish community in Palestine fought the British to gain our independence. In that struggle, women played an important and active part. Women served in the Palmach, an underground paramilitary force. Women went on undercover missions, and often smuggled weapons, because British soldiers were more hesitant to search women than men. Women often were used for transferring messages and for surveillance work. In fact, it was the practice of Palmach to send a young man and woman together to do surveillance work. If caught, they could always play the role of loving couple.

Thus, women did play a role in the underground before the establishment of the state. Even then, when Palmach undertook a larger military operation, for example, a retaliatory raid against some Arab village, the women would be left behind. It was only when isolated settlements were attacked by Arab irregulars, and later by invading Arab armies, that women fought shoulder to shoulder with the men.

This was a matter of home defense. When a remote kibbutz of 100 or 200 people was attacked by a regular force, it was a desperate situation that required everyone to fight. Even so, the number of women who actually handled rifles or threw hand grenades (basically all the available ammunition) was very small. I am unaware of a single Israeli woman who has claimed, "I was in combat in 1948. I handled a rifle. I threw a hand grenade. I fired a machine gun." There may have been a few such women, but for the most part they existed only in Arab imagination. More typically, women were kept very busy looking after the essential needs of combat, such as nursing, preparing and bringing up supplies, communications, and looking after the children; after all, these were civilian settlements under attack.

Little Basic Training

The first thing the IDF did after it was established on May 26, 1948, was to exclude all women from combat. While women do serve in, and in fact are drafted into, the IDF, their role is to provide essential auxiliary services in order to free men for combat. Furthermore, the IDF does not have mixed units on the American model; rather, women form part of a separate Women's Corps, known as CHEN. Originally CHEN was an acronym meaning Women's Corps; it also happens to mean "grace" in Hebrew.

For administrative and disciplinary purposes, women are subject to other women. Far from treating men and women draftees equally, the IDF has whole volumes detailing exactly what may or may not be done to or with

Martin van Creveld *is a professor of history at Hebrew University in Jerusalem. This article is adapted from testimony he gave this summer before the Presidential Commission on the Assignment of Women in the Armed Services in Washington, D.C.*

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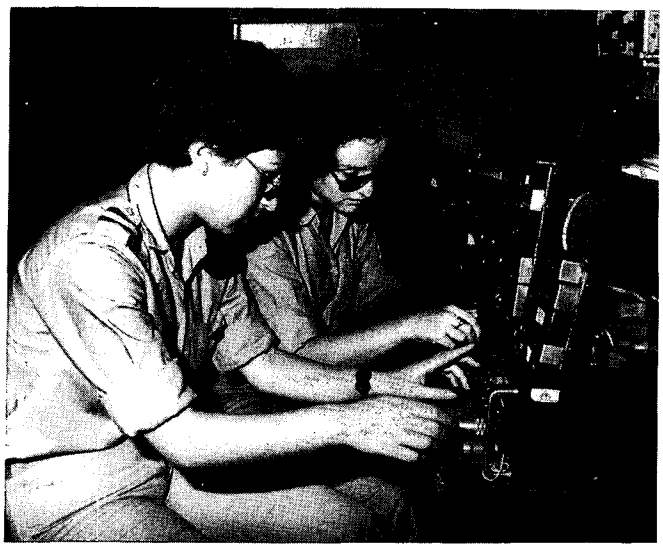

I.D.F Spokesman

While women are drafted into the Israeli Defense Force, their role is to provide essential auxilary services in order to free men for combat.

women soldiers to prevent them from being harassed or otherwise maltreated. For example: women soldiers may only be disciplined by female officers; women soldiers may not be touched by male MPs; and women soldiers may not be treated by male doctors unless there is a woman present.

What weapons training women receive in the IDF is almost entirely symbolic. At best, they will receive enough training to enable them to defend themselves, if necessary, and even that is very often omitted. For example, my daughter, who is 19, spent only 10 days in basic training. My daughter was one of a select number of women pre-designated for certain slots because they had specific qualifications for these jobs. This group was put through a very short basic training course so that they could immediately go on to their jobs. True, most female draftees will spend considerably more time in basic training, but that is only because the IDF doesn't know what to do with them yet.

Surplus of Women Draftees

Israeli women, like Israeli men, are subject to the draft. However, the draft is not applied equally to men and women. The IDF drafts about 90 percent of Israeli men between the ages of 18 and 21, but only about 60 percent of the women. This is because the IDF will take all men regardless of education, putting them through remedial courses if necessary; women who fall below a certain educational standard are simply not accepted.

Also, men serve longer than women—three years as opposed to two. Unless they are discharged for disciplinary reasons or are found unsuitable, both sexes are expected to serve out their term. In practice, however, the forces have a surplus of women draftees, so women are often given an early discharge.

Women who are married, pregnant, or have children are exempt from the draft. Nor, as a rule, are women recalled for reserve duty, the main exception being a few vital hand-picked personnel. Although women officially can be called up through age 34, very few women serve in the reserves after age 25. Conversely, Israeli men are required to serve in the Army reserves until age 51, and must report for one month of training each year until they reach that age.

Women who join the professional, standing forces after their two-year conscript service are treated equally with men, with three exceptions. They are subordinate to the Women's Corps; they do not participate in combat; and, as a result, they cannot rise above the rank of brigadier general. These distinctions apart, the IDF treats its male and female career soldiers equally. It does not distinguish between women soldiers who are married or single, with or without children.

Because Israeli women do not serve in combat, and because the vast majority serve on rear bases on which they live or to which they commute, even pregnancy is not much of a problem. Most pregnant soldiers are able to go on with their jobs, just like other women who are pregnant and working outside the home. Also, Israel, like most Western countries except for the United States, grants women maternity leave. A woman, whether in or out of the military, is free to take up to a three-month leave either before or after childbirth. While on leave, 75 percent of her salary is paid by Social Security.

Women as Weapon Instructors

Apart from their work in the Women's Corps (that is, training and supervising other women), women in the IDF serve successfully in a large number of varied and essential fields, including nursing, social work, clerical, psychological testing, intelligence, communications, and

Weaker physiques put most women at a disadvantage in sustained combat under enemy fire.

radar. Although there are no women pilots, the IDF does employ women as instructors in some combat-related activities, such as driving tanks and heavy self-propelled artillery pieces. This policy was first instituted during the late 1970s against a background of breakneck expansion and sharp manpower shortages.

Considered purely from a technical point of view, there is certainly no reason why a woman cannot learn and subsequently teach how to drive a tank. Male trainees, however, do not always readily take to female instructors who, through no fault of their own, will never see combat and are unable to apply what they teach. As a result, the policy has not been an unqualified success.

Regular combat units deployed in the field—for example, the Infantry Brigade or the Paratrooper Brigade—usually have a very small number of women attached to them, two or three per battalion, who will perform administrative work. Should fighting break out,

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these women are immediately evacuated from the combat zone—although not always successfully. When Israel came under surprise attack during the 1973 War, a few women were killed by missiles that hit bases in the Sinai. Generally, however, the IDF does its utmost to prevent such situations.

Overhead We Cannot Afford

The differences between the Israeli and American societies are numerous, deep, and striking. One of the most admirable things about American society is the way in which issues such as women in combat are debated publicly, in such depth, and on the basis of the best professional knowledge. Israel can't afford to do it in this way, at least not in the case of the military.

Asked about their impressions of women in combat, Israeli officers are united in their view that it is no place for them. This is because, unlike most Americans, Israelis are familiar with combat; they know that the favorite American method of breaking war down into Military Occupation Specialties (MOS) distorts the issue. For example, women can certainly pilot an Apache helicopter as well as men. However, it is equally certain that their weaker physiques will put them at a disadvantage when it is a question of flying that helicopter eight times a day in enemy fire, with the chance of being shot down, wounded, and forced to make their way back on foot.

Combat, in other words, is not merely a matter of doing a job. It is the toughest, most demanding, most terrible activity on earth. It is far beyond the imagination of anybody who has not experienced it. The demands that it makes in terms of physical force, endurance, and sheer wear and tear are horrendous.

Are there some women who are capable of performing well in combat? Undoubtedly. Are most women physically less capable of doing so than most men? Undoubtedly. And that, in fact, is the best possible reason for excluding women from combat. The added overhead needed to incorporate those few exceptional females would be so large as to make the whole exercise counter-

I.D.F Spokesman

Israeli women receive some basic training in weapons. But no woman has served in combat since the establishment of the State of Israel in 1948.

productive. Israel is not the United States. Its defense budget is not $300 billion a year, but only about $5 billion a year. Nevertheless, the IDF maintains land forces that, once the U.S. carries out its projected defense cuts, will be larger than America's. Experimenting with women in combat is a luxury Israel simply cannot afford.

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Beyond the Water's Edge

Foreign Policy as an Election Issue

Linda Chavez

In almost every presidential election since World War II, differences between the two parties on major foreign-policy issues have played an important, if not decisive, role in determining the outcome. But through much of this year's campaign, most Americans have seemed uninterested in serious debate on foreign policy. The persistence of economic problems at home and the virtual elimination of the Soviet military threat have diverted attention from foreign affairs and toward solving our own domestic problems. Voters are preoccupied by the huge federal budget deficit, the lingering effects of the recession, slow economic growth, high unemployment, rising crime, and welfare dependence.

Nonetheless, it would be a tremendous mistake for Americans to become so self-absorbed that we fail to consider the security issues that still confront the United States as well as the challenges entailed in our role as the only superpower. The collapse of the Soviet empire and the repudiation of Communist ideology have been a decisive victory for the foreign policy Americans have endorsed through their choice of presidents in the postwar era. It would be high irony if voters in 1992 squandered that achievement by failing to inquire of candidates how they would safeguard the fruits of that victory if elected.

A Still Dangerous World

Soviet Communism's collapse, unfortunately, has not produced world peace. Most conflicts—even in this century—have been motivated not by ideology, as the Cold War was, but by a desire for territory or for racial, ethnic, or religious domination. Such conflicts, even when they appear to be isolated to a specific country or region, have a history of spreading beyond their original boundaries (witness the progress of World War I). The situation in the Balkans is only the most recent example of a seemingly local conflict that cannot be contained.

Already two million people have lost their homes in the former Yugoslav republic, and many are fleeing into neighboring countries. Germany, already taxed with its own domestic difficulties in integrating the former East German population and economy, now faces additional burdens in caring for hundreds of thousands of Balkan refugees. Countries as far away as Great Britain and Scandinavia are being asked to provide temporary haven for refugees. The United States cannot remain aloof from these problems, and pressure is mounting daily for direct U.S. involvement. While U.S. security interests are not directly at stake in the Balkans, there is no guarantee that humanitarian concerns or the interests of one or more of our allies might not prompt some sort of U.S. military intervention.

Nor is Yugoslavia the only place where the disintegration of Communist control has led to the outbreak of ethnic or religious violence. Thousands of deaths have occurred in Azerbaijan, Armenia, Uzbekistan, and other former Soviet republics. More important, the friction between Russia and Ukraine and the potential for some future armed conflict involving tactical nuclear weapons or other weapons of mass destruction makes relations between these historic rivals of considerable concern to the United States. Indeed, Russia's centuries-long imperialist ambitions and territorial acquisitions make many of her neighbors and some in the international community wary, despite the encouraging embrace of democratic principles by President Yeltsin and a majority of the Russian people.

The Middle East, too, is still a tinderbox. Saddam Hussein continues his belligerent defiance of United Nations resolutions that ended the Gulf War. Fighting goes on in Lebanon, and Americans remain potential targets of terrorist kidnappers who still operate out of southern Lebanon. The Arab–Israeli conflict, too, poses great risks for the United States. By becoming virtual mediators in the ongoing negotiations between Israelis and Palestinians, the United States has raised its own stakes in the outcome and mutual adherence to any agreements reached. The Middle East remains of vital strategic interest to the United States—indeed to the entire industrialized world. While some opponents of the Gulf War mocked the willingness to risk American lives to protect oil, safeguarding U.S. access to oil in the

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Middle East is a legitimate security interest. Perhaps no other region of the world has greater potential to affect the U.S. economy and our way of life.

Be Prepared for the Unexpected

Nor is the current volatility of certain regions the only cause for concern. Even if conditions were more peaceful, there is no guarantee that they would remain so. It is simply impossible to know what lies ahead, for good or ill. Who could have predicted in 1988 that before the next presidential election the Soviet empire would collapse, U.S. troops would engage in a war in the Middle East, and fighting would erupt in Europe with thousands dead? With the exception of the years immediately following World War II, never has such great change taken place in so few years—and with as little warning. Yet many Americans seem almost indifferent to the importance of these events or to have forgotten them completely. Part of the problem lies in the strange reluctance of American political leaders to take credit for the role U.S. policy actually played in the collapse of Soviet Communism.

Conventional wisdom now asserts that the Soviet Union's demise was inevitable—but that was far from clear a few short years ago. In fact, the 1970s and early 1980s saw the expansion of Soviet influence in Asia, Africa, and Latin America, as well as an enormous Soviet military buildup that threatened to tilt the strategic balance of power toward the Soviet Union. It was the United States's response to that buildup—and especially the Reagan administration's more than $2 trillion investment in rebuilding and modernizing our own defenses—that helped provoke the economic crisis in the Soviet Union, which was unable to sustain its own bloated defense investment. That economic crisis, in turn, was a major component in the eventual downfall of the Communist regime.

Ironically, many of those who vigorously criticized U.S. efforts to strengthen and modernize our own defenses now want to ignore the decisive role a strong U.S. defense played in forcing the Soviets' hand. These same critics are among the first and most vociferous

Bush's claim that the nuclear nightmare is over is at odds with his embrace of SDI.

proponents of a rapid downsizing of the military and a withdrawal of American troops from around the world. While a downsizing is certainly possible and desirable given the diminished nuclear threat, it must be managed carefully, with an eye toward the dangers that still lurk in such places as North Korea. The greatest danger to the United States lies in our being unprepared to meet a foreign challenge. Isolationism, while tempting in domestic economic hard times, will not prevent the United States from becoming entangled in foreign conflicts—a lesson we have surely learned after two disastrous world wars.

Reuters/Bettmann

The collapse of Soviet Communism has not produced world peace.

Democrats vs. Republicans

Elections give voters the opportunity to voice their own policy preferences. Unfortunately, personality dwarfs policy in all too many campaigns, a situation that has gotten worse in the TV era. Candidates themselves often try to avoid making clear their own positions on issues, content simply to attack their opponents' positions and character rather than to define their own. Moreover, the electorate has grown increasingly doubtful that anything candidates say during an election can be trusted. Nevertheless, voters can and should scrutinize a candidate's own history, statements, and, in the case of an incumbent, record—but voters shouldn't ignore party affiliation, either. Many voters, especially those with higher education, prefer to define themselves as independents; and even among those who identify themselves as Republican or Democrat, many claim to vote for the candidate, not the party. Party loyalty among elected officials in the United States is much less intense than it is in Europe and elsewhere, especially in parliamentary systems.

Yet party affiliation is important in defining candidates, especially at the presidential level, where a candidate's election translates into control of several

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Photofest

Who could have predicted in 1988 that the Soviet empire would collapse, and U.S. troops would fight a war in the Middle East? America must watch world events carefully, and be prepared for sudden new dangers.

thousand policy-making and related confidential positions. In the day-to-day management of government, these political appointees wield enormous influence; and many, if not most, of them will come from the ranks of party loyalists. In President Bush's first term, most of the senior-level political appointees had served in the Reagan, Ford, or Nixon administrations. If Governor Clinton is elected, expect to see familiar faces from the Carter years, and perhaps even a few old hands from the Johnson administration.

The foreign policy reputations of the two parties have benefitted Republican presidential candidates since 1972, when the Democratic Party's nominee, George McGovern, earned for the Democrats the designation as the more dovish party. Democrats became identified in voters' minds not only with opposition to the Vietnam War but with a general reluctance to use force or promote a strong defense. Although Jimmy Carter managed to avoid being painted as a McGovernite in the 1976 campaign, by 1980 he, too, became vulnerable to the same criticisms. President Carter's defense-spending cuts, his handling of the Iran hostage crisis, and the failed hostage-rescue attempt combined to make Carter look weak on defense and ineffective in foreign policy, which added to voters' perception that the Democrats were not as capable in handling foreign affairs. Carter himself was tarnished by this image in his bid for reelection in 1980, as were Walter Mondale and Michael Dukakis in their bids in 1984 and 1988.

Bush and Clinton

Governor Clinton has made an aggressive effort to avoid being labeled as weak on defense. He supported, albeit with some ambivalence, the president's decision to use force in the Persian Gulf—even though most Democrats in Congress did not—and he has even suggested recently using U.S. military force in Bosnia-Hercegovina to protect UN forces delivering humanitarian aid. What is more, he has been careful in his speeches to address voters' wariness that electing a Democrat automatically will mean a weakened defense system; instead, he promises "a strong America—strong in arms, strong in values, strong in wealth, strong in will." Despite such reassuring rhetoric, Governor Clinton will have to do a better job of explaining how he is going to finance his ambitious domestic proposals without deeper cuts in defense spending than the $116 billion he has already proposed or without raising taxes on more than simply the 2 percent of the population earning in excess of $200,000. Clinton's rhetoric on Yugoslavia also raises the worry that the Democratic Party may be moving from the extreme of reflexive anti-interventionism to the extreme of reckless interventionism—of the sort that led John F. Kennedy to send troops to Vietnam without first having thought through how we would pull them out.

President Bush, on the other hand, faces a different set of problems. Although Republicans generally are perceived as strong on defense—and certainly his record in both Panama and the Persian Gulf demonstrate his willingness to use force to protect U.S. interests—the president has been less successful in articulating how he defines the U.S. role in a post-Cold War era. While Bush led the Free World to final victory in the Cold War, and has been a true visionary in proposing the Free Trade Agreement with Mexico, the weak domestic economy has made it difficult for the president to propose a leadership role for the United States in helping rebuild the economies of Russia, Ukraine, the other former Soviet republics, and Eastern Europe.

Bush's claim that the long nuclear nightmare is over is curiously at odds with his own embrace of the Strategic Defense Initiative and his efforts to deprive Saddam Hussein of weapons of mass destruction.The president also seems to be tying his own hands in foreign affairs by relying so heavily on the United Nations as the almost-exclusive forum to settle disputes. Many people still remember it as a body dominated by Third-World countries hostile to the United States, and may be less enthusiastic than the president in relying on the United Nations to determine when the United States will act.

Controllers of the Purse Strings

It is equally important for voters to consider foreign policy in congressional races. No matter which candidate wins the presidential race, he will have to contend with

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a Congress that increasingly flexes its own foreign-policy muscle. The appropriations process was used by Congress throughout the Reagan administration to control foreign policy, most notoriously through a series of amendments that restricted even indirect governmental assistance to the Contras. President Bush narrowly avoided a confrontation with Congress over the use of force in the Persian Gulf when Congress approved the War Resolution by a vote of 52 to 47 in the Senate, and 250 to 182 in the House. Despite pledges from members of Congress that partisan politics stops at the water's edge, recent history doesn't bear them out. The Persian Gulf vote—with important exceptions—fell significantly along party lines, with only 86 Democrats in the House and 10 in the Senate voting with the president, and even fewer Republicans, three in the House and two in the Senate, voting against him.

Congress can attempt to influence the conduct of foreign affairs, but its real strength is in the power of the purse strings to control defense spending. Congressional Democrats—again with some exceptions—are eager for deep cuts in defense, with which they hope to finance new social spending programs and increases in education and other domestic areas. But Republicans, too, want to reduce defense spending, although the president's proposals offer a more modest $50 billion cut. As important as the actual dollar reduction is, the most important issue is the criteria for determining what gets cut and what gets saved. While Secretary of Defense Dick Cheney has been successful in closing or downsizing over 200 military bases since 1988, his chief opponents have been those members of Congress who represent the districts in which the bases were located. In most cases, jobs back home—not the country's national defense needs—were uppermost on members' minds. Pork-barrel defense reared its head when President Bush pledged to rebuild Florida's Homestead Air Force Base after Hurricane Andrew, and also during the Democratic presidential primaries this year in Connecticut, when Bill Clinton pledged to continue construction of the *Seawolf*-class submarine, slated for extinction under the Bush administration's proposals. The way the issue was eventually framed in Congress was not whether the *Seawolf* was necessary, but how many Connecticut jobs would be lost. Voters in congressional races need to ask themselves: do they want defense cuts based on security needs or on job protection?

A New Isolationism?

A significant portion of voters in both parties this year have backed candidates who ran isolationist campaigns: Pat Buchanan in the Republican Party and, most prominently, Jerry Brown in the Democratic Party. No doubt, many of these voters were simply venting their frustration at the state of the domestic economy; nonetheless, a stubborn streak of isolationism runs through the history of the United States. When isolationist tendencies have prevailed as national policy, it has been to the detriment of the country—and the world. Ironically, strong isolationist sentiment has rarely kept the United States out of foreign conflicts; it has simply delayed our entry, as it did in World War II. More important, isolationism gave us a false sense of security, which proved disastrous when we were caught unprepared.

It is encouraging that neither presidential candidate espouses isolationist views, but whoever wins will have to contend with those in his respective party who want to see the United States retreat from the world stage. The temptation will be to "take care of problems at home first," as scores of voters resentfully put it when interviewed about such issues as the North American Free Trade Agreement and the civil war and starvation in Somalia. Some Democrats in Congress will continue to push for protectionist trade legislation, and some Republicans may push for tighter immigration control.

If Governor Clinton is elected, expect to see familiar faces from the Carter years.

The defeat of Soviet Communism is the great victory of the last half-century. Americans have paid dearly to defeat Communism in lives lost in battle in Korea and Vietnam and in the trillions of dollars spent on defense. We have every reason to feel that we have carried our load long enough. But the test of a great nation, as it is of an individual, is the willingness to accept responsibility so long as there remains work to be done. Liberty is on the ascendancy around the world, but it still eludes the 1.3 billion people in China—one-fifth of the world's population. In our own hemisphere, one of the world's last remaining totalitarian regimes still holds the Cuban people in its grip. For more than a decade, a new form of totalitarianism based on a perversion of religious rather than political philosophy has threatened the stability of the Moslem world from Iran to Algeria. Africa is beset by problems stemming from civil war, the failed policies of socialism, inter-ethnic conflict, and drought. While the United States cannot, and should not, intervene in all of these situations, neither can we withdraw into our own safe and secure fortress nation. We have stood for more than 200 years as a beacon of freedom to the world. Our involvement in foreign affairs in this century has been, on balance, to the great benefit of those seeking to be free. If we are to be faithful to our principles, we must remain engaged in world affairs. But that commitment can only be made with the support of the American people.

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Deliver Us From Evil

Prison Fellowship's Saving Grace

Tucker Carlson

In 1812 Francis Howard Greenway was convicted of forgery and sentenced by a British court to 14 years in the penal colony of Australia. Within months of his arrival, Greenway was hired by the governor of Australia as a civil architect. Four years later the governor, impressed by Greenway's skill as a designer, annulled his sentence and made him a citizen. Greenway went on to build over 40 buildings, including the country's first lighthouse, several churches, a courthouse, and Sydney's capitol building. In 1964, without a hint of irony, the Australian government placed this convicted forger's portrait on the face of its $10 bill. In his ascent from convict to hero, Greenway joined the ranks of ex-criminals such as Fyodor Dostoyevski, O. Henry, Ray Charles, Sonny Liston, Johnny Cash, and "Bullet" Bob Hayes, who have led productive lives after imprisonment.

While the prevailing view on the right for the past 25 years has been that segregation from society is the best solution for criminal behavior, some conservatives are beginning to realize that the "lock-em-up" strategies of the past are not sufficient. America now spends more than $20 billion annually to keep a higher percentage of men and women behind bars than any other country in the world: 455 per 100,000 people.

Yet longer sentences have done little to deter criminals. According to the FBI, two-thirds of released prisoners are rearrested within three years of getting out; 74 percent are back in prison within four years, often for increasingly violent crimes. These statistics have convinced many conservatives that a strong emphasis on law and order must coexist with efforts toward criminal rehabilitation. Although attempts to reform prisoners through education and economic opportunity have failed, there is evidence that even the most hardened convict can sometimes be rehabilitated if he is reshaped spiritually. A religious conversion changes a prisoner inwardly, giving him a truly compelling reason to give up crime for good.

Imprisonment Isn't Enough

At the vanguard of the conservative prison reform movement is Prison Fellowship, a Christian outreach group. Prison Fellowship was founded in 1976 by Charles Colson, a special counsel in the Nixon White House. In 1974, during the Watergate scandal, Colson was charged with obstructing justice in the trial of Daniel Ellsberg, leaker of the so-called "Pentagon Papers." Having recently become a Christian, he decided to plead guilty to the charges, and received a term of three to five years in Maxwell federal prison in Alabama. Released after seven months, Colson wrote a book entitled *Born Again*, in which he argued that prisoners imbued with spiritual purpose could be rehabilitated. On that premise he started Prison Fellowship.

Colson founded his group at a time when neither of the prevailing approaches to prison reform seemed to be working. Since the Quakers opened the nation's first penitentiary in Philadelphia in 1790, Americans have been divided into two camps over the purpose of punishment and the way it is meted out. Liberals have traditionally believed that crime is the product of economic and social influences such as poverty, broken homes, and drug use. Such factors exert a nearly irresistible force over a criminal, sapping him of his free will, and so making his crimes only partially his fault. They assume that it is not the criminal who needs to be reformed, but society: a world without injustice and poverty would also be a world without crime. The second view, the conservative one, holds that sane people who break the law do so of their own volition. Criminals alone are responsible for their crimes. The purpose of imprisonment is not to rehabilitate criminals—that is impossible—but to punish them, to deter other criminals, and to keep society safe.

Colson, a conservative, had natural sympathy for the latter view. He recognized, however, that it ignores man's spiritual dimension. A criminal who is truly remorseful about the suffering his crime has caused, who repays in full what he owes his victims, and who lives his life in accordance with transcendent values can once again become a legitimate member of society. Colson harbored no illusions about human nature, nor did he expect that his group would eliminate the need for prisons. Nonetheless, he believed that, with the support of local churches, Prison Fellowship could rehabilitate some inmates.

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Fyodor Dostoyevski, Ray Charles, and Johnny Cash. All three emerged from prison to lead productive lives.

Eleven-Percent Solution

Statistics show that Prison Fellowship is indeed reaching its goal. In 1990, a team of researchers from Loyola College in Maryland completed a two-year study of the effectiveness of Prison Fellowship's Washington, D.C.-area programs. The study indicated that Prison Fellowship was able to reduce recidivism among inmates of federal prisons by 11 percentage points: eight to 14 years after their release, only 40 percent of the prisoners who attended Prison Fellowship seminars had gone back to prison, as compared with 51 percent of those who did not attend. Moreover, the study showed, "Prison Fellowship subjects were arrested at a slower rate following release from prison than those in the control group." This proved true for inmates imprisoned for violent offenses as well as for those serving time for property crimes. The inmates affiliated with Prison Fellowship who were rearrested, the study concluded, "were charged with offenses less serious than their original crimes, while the control group's charges increased in severity."

Todd Clear, professor at the Rutgers University School of Criminal Justice, says that the study's findings are consistent with his own research on the effect of religion on inmates: "There is a strong correlation between religious involvement and adjustment to life in prison. It helps prisoners to gain self-control and it helps them to stay out of trouble. In the federal system we've found that the more inmates who attend services at a prison, the fewer infractions are reported at that prison."

Prison Fellowship leaders have no illusions that the majority of inmates can be turned around. Nevertheless, the efforts of the organization have shown, as Todd Clear says, "most criminals cannot be changed, but many can and do change permanently." Prison Fellowship is able to rehabilitate prisoners where others have failed because its programs compel offenders to take personal responsibility for what they have done. Once they are released, Prison Fellowship tries to reunite prisoners with family members who can ease their readjustment to freedom. Most important, it pairs released convicts with local churches, institutions that are well equipped to help offenders become reintegrated into society. If, at no cost to the taxpayer, it convinces 11 percent of the prisoners it helps—people who would have otherwise become recidivists—to give up crime for good, Prison Fellowship has done more for law and order than any government program in recent times.

Astute Volunteers

Prison Fellowship administers one of the largest prison reform groups in the world. It is staffed almost exclusively by volunteers, who operate in prisons in 45 foreign countries and in 90 percent of the federal and state prisons in the United States. Each of its 64 offices in 36 states draws its volunteers from churches in its region. Prison Fellowship's stated goal is to "exhort and assist" churches to help "prisoners, ex-prisoners, victims, and the families involved." Typically, a Prison Fellowship office will contact local pastors, who will then ask members of their congregations to visit nearby prisons. Church members who are not willing or able to visit prisons are asked to write letters to prisoners through Prison Fellowship's Mail Call program. In the first three months of 1992, more than 46,000 people worked in Prison Fellowship's various programs.

If potential volunteers have any romanticized views of prisoners, they are quickly disabused of them when they join Prison Fellowship. Del Irwin, the director of Prison Fellowship's volunteer training and a veteran of 20 years of prison ministry, recalls the many times she has been asked by prisoners in Bible studies for special favors that are against prison rules. "Please bring me in a Bible. The guards won't let me have one and I am desperate to read God's word. Perhaps you could pick one up from my friend on the outside. Here's his address," or "Please mail this package to my mother for me. She's dying of cancer and there's no other way I can contact her." Irwin says that seemingly innocent requests like these are often ruses designed to get volunteers to smuggle contraband in and out of the prison. She, like the volunteers she trains, has few illusions about life in prison. This realistic view helps Prison Fellowship in the eyes of convicts. One prisoner said that "the volunteers know all about the con-men, and that's good, because we wouldn't respect them otherwise."

All Prison Fellowship volunteers go through a minimum of 20 hours of training. They can then choose to volunteer in one of three programs: in-prison ministry,

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service to families, or outreach to released prisoners. Volunteers learn to be compassionate with prisoners without being duped. Prison Fellowship requires its volunteers to follow a strict code of rules while in prison. These are essentially commonsense reminders, such as not to bring anything in or out of the prison, not to become too affectionate with the inmates, not to enter into business deals with prisoners, and to stay with the group. Prison Fellowship, says Irwin, recognizes that "a prison's first priority is security," and for that reason makes sure that its volunteers follow prison regulations to the letter. Scrupulously following the rules—even the seemingly arbitrary ones, like a ban on chewing gum—sets an example for prisoners. As one ex-offender says,

An ex-con who becomes part of a local church quite naturally becomes part of the community that spawned the church.

"Prison Fellowship figures, if you can't follow the rules inside, how are you going to follow the laws out on the street?"

According to Irwin, six to eight out of every 40 volunteers who lead In-Prison Seminars or Bible studies are ex-cons themselves. This gives them an understandable authority with prisoners. The non-ex-cons do well too, she says, because, "You don't have to understand what a person is going through to be understanding."

Amen Corners

Most convicts first come into contact with Prison Fellowship through events called In-Prison Seminars. These seminars are usually conducted in a prison's chapel three nights a week. They consist of Bible studies (frequently in Spanish as well as English), Christian evangelism, and practical advice about prison life. In-Prison Seminars are designed to introduce prisoners to the basics of Christianity as well as to prepare them for life after release by showing them options to crime. In 1990, 41,085 prisoners attended 947 seminars.

Seminars present Christianity in earthy, sometimes gritty, terms. At one recent seminar, a volunteer asked the prisoners assembled if they were familiar with the Christian terms "witness" or "testimony." When none responded, he asked each man to think back to his time on trial and then reply. Every man in the room quickly raised his hand to answer.

Although they are conducted behind barbed wire and guard towers, Prison Fellowship seminars are often indistinguishable from standard Sunday-school classes. One evening at a seminar at the Sussex Correctional Institution in Delaware, the Bible-study leader asked his group if everyone had read the scripture passage assigned the night before. A chorus of voices answered "yes." One prisoner seemed particularly enthusiastic. The leader pointed to him and asked him to explain the night's reading. The prisoner, who was covered in tattoos and looked like an extra in a biker movie, stood up and recited the long series of verses flawlessly. Not to be outdone, another convict stood up and did the same. Prison Fellowship volunteers emphasize religious learning so that prisoners will have a solid moral foundation on which to stand when they get out.

Another way that Prison Fellowship teaches inmates about Christianity is through *Inside Journal*, first published in 1990, which it bills as the "hometown newspaper of America's prisoners." Over 200,000 copies of the bi-monthly paper are now distributed free to 868 prisons in 48 states. Each issue contains news, as well as simply written homilies.

Leading Bible studies in prison is not without considerable historical precedent. Many figures in the Old and New Testaments—Jesus, Joseph, and Daniel, to name a few—were themselves prisoners. In the Gospel of Matthew, Jesus specifically refers to visiting prisoners as a holy duty. In the Gospel of Luke, Christ declares that God has sent him to earth to "proclaim freedom for the prisoners." Saint Paul, the author of much of the New Testament, wrote six of his 13 epistles while chained to a wall in a Roman jail. Prison Fellowship makes use of these references. Many of the Bible studies conducted during the In-Prison Seminar draw on the experiences of biblical characters to illustrate how to be a Christian while incarcerated.

Cleaned Up His Act

Jim Gould's story is typical of how a prisoner's participation in a Prison Fellowship seminar can lead to permanent changes in his life. Gould first went to a seminar in 1979, while serving 40 years in Virginia's Powhatan Correctional Center for what he will only describe as "a vicious crime." He says he was struck to see people coming to the prison voluntarily. "There were a lot of people who didn't get visits from anyone. To see people coming in and visiting us really showed me what love is." Gould became a Christian and began going to Prison Fellowship's weekly Bible studies. In the meantime, his attitude about prison changed. Although he was denied parole eight times (due, he says, to the brutality of his crime), Gould claims, "I'm glad I served all that time because, had I gotten out earlier, I would have gone right back in again."

In July 1989 Jim Gould was paroled. He immediately went to live with a couple he had met as Prison Fellowship volunteers. They helped him find a job and a church. They even gave him the keys to their station wagon and paid for his car insurance. Jim Gould now works in a Richmond, Virginia, dry-cleaning company owned by a man in his church. Of Prison Fellowship seminars, Gould says, "I have no words to express the help they give men."

Gould's experience suggests that even violent criminals can be rehabilitated if they are willing to acknowledge what they have done wrong. Larry Lilly, chaplain at several Delaware state prisons, says that

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"repentance is the greatest factor in a person being reformed." According to Lilly, "Rehabilitation itself doesn't work because it is basically a person trying to change himself through programs and education. Regeneration does work because it changes a man from the inside. You know when a man has been regenerated because he has respect for authority." Lilly admits that some prisoners are beyond remedy. "Some people just don't want to be rehabilitated. They cannot be helped because they don't want to be helped." Still, Lilly says that in his experience, any prisoner, regardless of his background or his offense, can become a respectable citizen if he repents of his crime.

Mopping Floors and Cleaning Commodes

Prison Fellowship realizes that the better prepared a prisoner is for the transition from inmate to parolee, the more quickly he will adjust to life outside of prison. Its two-day Life Plan seminars help prisoners—2,274 of them in 1990—to organize their lives so that they will be ready to take care of themselves when they are released on parole.

Prison Fellowship volunteer Linda Bowman is uniquely qualified to help prisoners meet this challenge. In the 1976, Bowman was sentenced to four years in the Virginia Correctional Center for selling heroin. After her release she joined a local church, and in 1980 began volunteering to visit prisons. Several years ago she married another Prison Fellowship volunteer. According to Bowman, the purpose of Life Plan seminars is to "help prisoners form realistic goals for when they get out." Prisoners, she says, "have got lots of time on their hands to sit around dreaming. They tell me they're going to get out and buy a new car. I tell them "You may end up mopping floors and cleaning commodes."

Volunteers in the seminars try to prepare prisoners for the shock of their new freedom. Men who have spent many years in prison may be unaware of the effects of inflation, and are often shocked to see that the price of everything from hamburgers to bus fare has risen considerably. This can be disorienting. One woman described her husband after his release as acting "like he'd just come from Mars."

At the end of the seminar, each prisoner is assigned a "mentor," who promises to stay in contact with the ex-con for a minimum of six months after his release. The mentor helps the parolee find a job, a place to live, and a church to join. Because many ex-cons are lacking even the most basic work skills, this assistance can be crucial. One volunteer claims that 60 to 80 percent of the newly released prisoners she has met need help to fill out job applications.

A Community After Release

Prison Fellowship's most important work in a prisoner's life may take place after his release. Because over 95 percent of convicts in American prisons and jails will someday be freed, Prison Fellowship benefits society most when it helps ex-offenders become reintegrated with a community. It does this by pairing released prisoners with local churches. This is important for two reasons. First, Prison Fellowship is limited by its finite

Prison Fellowship

Jailhouse Flock.

resources in what it can do for an ex-con. It cannot support released prisoners indefinitely. Second, many prisoners either do not have families, or are alienated from those they do have. Moreover, one wonders how a criminal's family—the very group that was unable to keep him out of trouble in the first place—will be able to reform him after he gets out. What an ex-con really needs is to form long-term relationships with people whose lives are already stable.

Burce Johnson, director of a Prison Fellowship-affiliated halfway house in Columbus, Ohio, says, "If men don't get into a church, they'll fall down and go back to prison." According to Johnson, who spent five years in Chillicothe prison for murder, churches are some of the few places that will embrace released prisoners. Johnson himself joined Prison Fellowship while still on parole. Several years later he and his wife began taking parolees into their home. Every prisoner who comes before a parole board must indicate where he plans to live when he is released. Ex-cons who have no families to return to usually end up in halfway houses. "Most halfway houses are just extensions of the penitentiary," Johnson says. His house is different, he believes, because he and his wife have encouraged most of the men to join local churches. "A man needs to get into a supportive church and start helping other people. These guys have always taken from society and it bothers them. By helping others they're

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rejuvenated." Of the 23 men who have lived with the Johnsons, only one has gone back to prison.

As good a job as Prison Fellowship does helping ex-cons, its programs are naturally separated from the communities in which they operate. They are designed to help a small segment of society: those involved with the prison system. Churches, by contrast, are natural fixtures in their communities. They are outgrowths of neighborhood initiative. An ex-con who becomes part of a church quite naturally becomes part of the community that spawned the church. Becoming part of a congregation is one of the surest ways for a released prisoner to become reintegrated with society.

Help for Marriages

Common sense indicates, and studies prove, that prisoners who are released and return to families are much less likely to go back to prison. Unfortunately, more than 85 percent of prison marriages do not last

Religious groups can offer the experience of God to ex-cons and claim, with sincere consciences, that it will be better than all they are giving up.

the duration of the incarcerated spouse's term. Of those that do, 80 percent fail within the first year after the prisoner's release. Prison Fellowship tries to keep families together by placing the spouses of imprisoned men in churches that can support them and that their husbands can join when they are released.

Marilyn Olson had two teen-aged children when her husband was sentenced to three years in prison for fraud in 1981. The Arizona housewife was forced for the first time to find a job, and raise her children alone. "It was almost a complete role reversal," she says. "All of a sudden I had all of the responsibility." Soon after her husband was incarcerated, Olson met a Prison Fellowship volunteer whose husband was also in prison. The two began meeting with other women in similar circumstances. By the time her husband got out of prison, Olson was volunteering to help, financially and spiritually, other families who had a father or husband behind bars. "One of the main things we do," she says, "is get families involved in churches. We know absolutely that if a family becomes established in a church, it will help the inmate when he is released." Meanwhile, churches bring Christmas presents to children of imprisoned men through Prison Fellowship's Angel Tree program, or enlist people to make repairs on their houses.

Once a married man is released from prison, Olson says, his relationship with his wife usually needs mending. A long separation invariably causes special problems. "Men lose all sense of responsibility in prison. They lose control of their families," says Olson. Weekly conversations between the spouses, mediated by a Prison Fellowship volunteer, can help. Nonetheless, Olson admits that, of the 11 married couples with whom she meets regularly, "if three make it I'll be jumping for joy." The effort is still worthwhile, Olson believes, because "the guys coming out of prison who have families have something to hold on to."

Justice for Victims

In addition to its work with prisoners and their families, Prison Fellowship also has programs that assist people who have been hurt by criminals. Its "Neighbors Who Care" program assists victims of property crimes. Like all Prison Fellowship programs, it is run in conjunction with local churches. Volunteers either have an arrangement with the neighborhood police department by which they are contacted when a person is robbed, or they go to the police station and check daily crime reports for burglaries. They then call or write the victims and offer their services for the first 90 days after the crime. According to Prison Fellowship guidelines, this assistance can include food, help in repairing the damage caused by the break-in, Bible studies and counseling, transportation, "help with document replacement," referral to other emergency services, and "security and crime prevention information." An increasing number of police departments—10 in Colorado alone—are involved in the program.

In 1983, the directors of Prison Fellowship decided to create a subsidiary organization devoted solely to changing prison laws. In the past nine years, the group, called Justice Fellowship, has lobbied to "sentence nonviolent offenders to restitution and community service programs rather than prison," and to allow all prisoners the chance to work at paying jobs while incarcerated. Justice Fellowship volunteers point out, for example, that female prisoners are the fastest-growing segment of the American prison population. In 1989 the number of women in prison increased by 21.8 percent. Most of these women were imprisoned for drug-related offenses. Most of them have children.

Justice Fellowship argues that society does not benefit when families are destroyed for the sake of locking up women who pose no physical danger to others. The group makes the same argument about imprisoning nonviolent male criminals. It believes that alternative sentences that take into account the debt the criminal owes his individual victim will do more to reform offenders than jail time. Its Community Service Projects, which use inmates furloughed from minimum-security prisons to do repair work on houses of the poor and elderly, are an example of the reforms Justice Fellowship advocates.

One of Justice Fellowship's more successful reforms is its victim-offender reconciliation program. The program, which is now being tried in juvenile courts in several states, brings criminals and their victims together after trial and before sentencing to work out alternative

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Prison Fellowship

Chuck Colson with prisoners. Prison Fellowship believes that, through repentence, restitution, and a religious conversion, some criminals can be rehabilitated.

punishments. If the two parties agree on a fine or a form of restitution, the judge may substitute their recommendation for a prison term. Pat Wilcox, Prison Fellowship's Virginia area director, gives the example of a boy who broke into a man's house and stole his coin collection. After he was convicted of the theft, the boy met with his victim in court. The man suggested that the boy work off the price of the collection by doing yard work for him for a year. The boy agreed, as did the judge who waived jail time.

Wilcox says meetings like these are important because generally "the criminal has no human interest in his victim." The meeting shows the criminal that his crime has hurt someone. "The sad part of the criminal justice system," Wilcox says, "is that when a man commits a crime, the victim quickly leaves the picture. It becomes the criminal vs. the state." Victim-offender meetings personalize the crime, making it more likely that the criminal will understand what he has done and repent.

Redemptive Imprisonment

Prison Fellowship is an explicitly religious organization. Its programs cannot be divorced from their Christian orientation. Released prisoners face a variety of temptations that beckon them back to the lives they left. Many of them know that, in some ways, crime does pay, and they must accept the fact they will never again make as much money, or have as much prestige, as they did when they were criminals. No secular program can answer these problems, because no secular program can realistically offer fully satisfying alternatives to the wealth, status, and excitement these men left behind when they decided to live honest lives. Religious groups—whether Protestant, Catholic, Jewish, or Moslem—can offer the experience of God to ex-cons and claim, with sincerity and conviction, that it will be better than all they are giving up.

Prison Fellowship has demonstrated by its success that criminal rehabilitation is possible. Amidst the bleak realities of American crime and punishment, Prison Fellowship offers a heartening lesson: that prisoners who take responsibility for what they have done, who give back what they have taken from their victims, and who make themselves accountable to a church have a chance of becoming productive citizens. Although it will never rid America of career criminals, Prison Fellowship can make imprisonment redemptive, when before it was only a wasteful necessity. The hope that Prison Fellowship gives some prisoners may deter crime more effectively than any maximum-security cellblock.

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YELTSIN'S GLOBAL SHIELD

Russia Recasts the SDI Debate

KEITH B. PAYNE, LINDA VLAHOS, AND WILLIS STANLEY

In January 1992 Russian President Boris Yeltsin completely rewrote the terms of debate over the Strategic Defense Initiative (SDI) by proposing a "Global Protection System" to defend against limited missile strikes. Yeltsin's proposal, which has support in the Russian military, converges nicely with the direction President George Bush had taken SDI in 1991—toward a global capability to defend against small-scale missile attack.

Even more important, the Russian president's initiative means that Russia now officially supports cooperation with the United States on missile defenses. This is in dramatic contrast to the long history of hostility toward SDI on the part of Soviet leaders.

Yeltsin's turnabout has enormous implications for the U.S. debate on missile defense. The standard arguments against defenses—which were all based on the assumption of Soviet hostility—are now without foundation.

For the past decade, every major argument against SDI has been based on the premise that the Soviets would strongly oppose U.S. deployment of strategic defenses—and perhaps even go to war over the issue. Critics asserted that the Soviet Union would counter any U.S. defenses with additions to its own offensive nuclear arsenal. They warned that this would set off an offensive-defensive arms race, and destroy any hope of future arms-control agreements.

SDI opponents further charged that the Soviets could easily overcome U.S. missile defenses with relatively inexpensive modifications of their offensive weapons. Consequently, SDI was criticized as a technical chimera and a costly sinkhole that might never offer effective missile protection.

Critics argued as well that to move forward with SDI would violate the 1972 ABM Treaty, which severely limits the numbers and types of missile defenses that can be developed, tested, and deployed. They contended that the Soviet Union would never agree to revise the treaty for the purpose of expanding defenses.

"Egregious Nonsense"

These arguments against missile defense—that it would set off an arms race, destroy the future of arms control, cost too much, prove to be technically infeasible, and require violations of the ABM Treaty—were all based on the assumption of Soviet opposition.

Soviet words, if not deeds, reinforced the standard case against SDI. Immediately following its introduction, Soviet leaders declared their hostility to the program—largely adopting the arguments of the program's American opponents. They also declared the ABM Treaty to be sacrosanct. Consequently, domestic critics could point to official Soviet statements against missile defense to validate their dire predictions of what would happen if the United States went forward with SDI.

By October 1991, however, statements in support of missile defense by some Soviet military and political officials suggested that the Soviet Union was reconsidering its previous opposition to cooperative missile defense. Within months, the Soviet position became irrelevant, as the Soviet Union ceased to exist.

Nevertheless, the 1960s-vintage case against missile defense has become part of the accepted dogma of the arms control community. Outspoken public critics of missile defense proved so wedded to Soviet opposition as the mainstay of their arguments against defenses that they ridiculed the notion that the Soviet Union could ever revise its position. Matthew Bunn of the Arms Control Association observed that suggestions that there existed some evidence of a potential shift in the Soviet position were "egregious nonsense" and represented "either shoddy scholarship or [were] downright dishonest."

Following President Yeltsin's declared support for global missile defenses, the critics interpreted the Russian president as endorsing cooperation only on the early warning of missile launches. Following Yeltsin's repeated reaffirmation of cooperation with the United States on missile defense, these same critics—who for years had eagerly pointed to negative Soviet statements to buttress their own arguments against defenses—proclaimed that positive statements by President Yeltsin about missile

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defense should not be taken too seriously. The critics highlighted instead continued caution on the part of some unofficial Russian commentators and mid-level bureaucrats.

The past Soviet view of missile defense had a tremendous effect on the domestic debate on SDI, providing the basis for the standard case against American defenses. The much different Russian view introduced officially by Boris Yeltsin this year has set the stage for an entirely new chapter in our thinking about defenses.

The Yeltsin Initiative on Joint Defenses

In late January 1992, Russian President Yeltsin announced his country's readiness to "jointly work out and subsequently to create and jointly operate a global system of defense in place of SDI." The Russian president repeated this proposition in several fora, including his address at the United Nations. Yeltsin also reaffirmed his government's commitment to the ABM Treaty.

Speaking in broad terms, Yeltsin advocated holding open discussions on a cooperative system for global defense against ballistic missiles that would employ contributions from the Russian defense complex. Such cooperation would make defenses more affordable and less complicated, significant points for the cash-strapped Russian Federation. Joint development, according to Yeltsin, would begin with U.S.–Russian conceptual and technical definition. Ultimately the system would involve other states.

To underscore the seriousness of his initiative, Yeltsin appointed a special commission to work out a concept of a global defense system, to establish a joint Russo-American center for early warning of ballistic missile attacks, and to organize exchanges of defense technologies. This commission, which helped brief Yeltsin for the June 1992 summit in Washington D.C., was led by noted Russian scientist and academician Evgenii Velikhov—a former opponent of ballistic missile defense (BMD) expansion.

Why Russian Support For Cooperative Defense?

There appears to be a consensus for cooperative defense among the top Russian political leaders, and support for the concept from some senior military officers. Indeed, Velikhov, when asked about opponents of joint BMD, reportedly stated, "[t]here are practically none among either designers or the military. The critics of this proposal in both Russia and the United States are, rather, maniacs obsessed with old ideas and they have no influence."

Missile defenses could protect Russia from Southern threats.

There remain, nevertheless, significant points of contention in Russia on the broad subject of missile defense and cooperation with the United States. In particular,

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Boris Yeltsin's "Global Protection System" is close to the direction George Bush has taken SDI—a global defense against small-scale missile attack.

questions persist over the space-basing of interceptors, the feasibility of significant outlays of capital for defenses in a time of economic crisis, the possible threat to the Russian nuclear deterrent posed by defenses, and fears of a one-way technology transfer from Russia to the United States at fire-sale prices. These concerns are voiced primarily within parts of the military, and by members of the old Soviet foreign policy and arms-control establishment.

For example, Alexei Arbatov, formerly of the Soviet delegation to the Nuclear and Space Talks in Geneva and now director of the Center for Arms Control and Strategic Stability, regularly publishes articles skeptical of expanded or cooperative BMD. In late 1991 Arbatov wrote an article with U.S. SDI critic Thomas Cochran of the Natural Resources Defense Council arguing that Moscow's emerging interest in expanded missile defense is a "wrong decision." Even Arbatov, however, admits that BMD critics now have little influence over Russian policymakers. There are four major reasons for strong Russian support for missile-defense cooperation.

1. **Integration With the West.** A key motivation for cooperative defense lies in Russia's desire to establish good political relations with the West, so as to receive economic aid. Following his January speech, Yeltsin told a BBC correspondent, "We want to be a full-blooded member of the European Community, of the world community. That's why we think it's a good idea to build up special global defense forces together and to work together on space programs to replace 'Star Wars.'"

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The Russian government seeks to become, in the words of Foreign Minister Kozyrev, a "normal great power." Cooperative security programs with other great powers would provide an important underpinning for Russian international status at a time of political and economic crisis. According to well-known Russian academic Sergei Blagovolin, the creation of a joint defense "will be a most important practical step toward interdependence in military affairs."

Russian officials suggest that there are specific economic benefits to be gained from cooperation with Western industrialized countries in missile defense. These include capital and technology to aid in economic reform and defense conversion, opening markets for Soviet high-technology goods like the S-300 (billed as the "Russian Patriot"), reducing the cost and complexity of their own BMD systems, and maintaining employment for Russian scientists and engineers to stem the "brain drain."

The standard arguments against SDI—all based on assumed Soviet hostility—are now without foundation.

At the same time, many influential Russians (including First Deputy Defense Minister Andrei Kokoshin) have suggested that the United States could benefit from technology exchanges in areas where the Russians have made considerable advances: heavy lift launch capability, research in directed energy technologies, and the Topaz nuclear reactor, to name a few.

2. **The Increasing Proliferation Threat.** With the dramatic changes in the strategic environment, the new Russian leadership has shifted its security focus from the Western threat to the threat from "the South." According to Sergei Rogov, deputy director of the USA and Canada Institute, a primary threat to Russian security is the threat of "certain former republics [that] may find themselves under the influence of regional power centers like China or Iran." Russian commentators have also expressed increased concerns about the possible escalation of regional conflicts to include threats to Russia.

Consistent with this shift in thinking, senior Russian military officers have argued that missile defense has become important because the leaders of those Third-World states acquiring missile capability may be less deterred by the threat of retaliation than was the United States during the Cold War. The recent Gulf War was almost certainly instructive for the Russian military and political leadership. Of particular concern is the possibility of war within or among the former Soviet Union republics that might spiral out of control and ultimately involve missile use against Russia.

3. **The Need To Reestablish An Early Warning Network.** With the dissolution of the Soviet Union, Russia inherited a much-diminished capability to detect and track ballistic missile launches and tests. As the former republics divide up Soviet military assets, the Russian leadership cannot be confident it will have long-term access to key installations, and it cannot afford to rebuild them on Russian territory.

For example, ground-based radars once located in what were Soviet republics are now located in independent states. Even in the near term, the Russian early warning network has suffered the same economic shocks as has the rest of the former Soviet military, making effective maintenance and operation difficult. Russian interest in beginning cooperation with a joint early warning system reflects the military and political leadership's alarm at the state of its early warning capability, and the belief that only cooperation with the United States will give them access to the early warning capability it needs.

4. **Increased U.S. Support for Missile Defense.** In late 1991, with Senators Sam Nunn and John Warner in the lead, Congress fashioned the Missile Defense Act (MDA) of 1991, demonstrating to the Russians that the internal U.S. debate over missile defenses was nearing a compromise solution. The possibility of a U.S. domestic political compromise leading to new BMD deployment and a more assertive approach to ABM Treaty revision clearly influenced the evolving Russian position on BMD. The commitment to missile defense embodied by the MDA has provoked some Russians to propose cooperation as an alternative to facing a U.S. missile defense capability unconstrained by the absence of Russian participation.

Velikhov's Global Protection System

In June 1992 the Russian newspaper *Nezavisimaia gazeta* published Velikhov's concept for cooperative global defenses. As outlined by Velikhov, the Global Protection System is a part of a non-proliferation regime designed to monitor the spread of mass destruction weapons and their delivery systems, notify the world community of ballistic missile launches and tests, and to protect "member states" from missile attack. Velikhov has stated that all "peace-loving states" should join in the operation of a "supranational ABM system." The first stage would be the establishment of a joint early warning center to include the United States, Russia, and the other former Soviet republics. This would be followed by cooperation in defense technologies and the eventual deployment of interceptors. Velikhov noted that such cooperation would require modification to current Western technology-control regimes, such as COCOM.

At the June summit, both the United States and Russia publicly agreed to pursue further joint study and immediate conceptual development. It was further agreed to form a high-level group, led by the U.S. State Department's Dennis Ross and Russian Deputy Foreign Minister Georgii Mamedov, to discuss the following issues: joint early warning cooperation; the potential for cooperative BMD development and technology programs; and the legal basis for GPS—possibly to include new treaties and agreements and/or modifications to the ABM Treaty. This high-level group, which first met

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this July, reaffirmed both sides' commitment to jointly developing and deploying a GPS. The negotiators agreed to continue discussions through the creation of three working groups: 1) Global Protection System Concept Development; 2) Technology Cooperation; and 3) Non-Proliferation.

Seeming ABM Contradictions

On the surface, it appears that President Yeltsin's declared commitment to both GPS and the ABM Treaty is a contradiction. The evolving Russian position on the Treaty, however, does not view that agreement and the cooperative deployment of defenses as incompatible.

Many Russian political and military officials, for example, have suggested that the treaty be revised to facilitate progress on cooperative missile defense. In contrast, most recently, a senior member of the Russian high-level delegation on GPS suggested that the Russians may even consider the ABM Treaty as irrelevant to GPS. In a press conference, Deputy Foreign Minister Grigorii Berdennikov drew a distinction between national defenses that are limited by the ABM Treaty and GPS—which would be jointly developed, created, and operated, and not subject to the treaty's restrictions. Berdennikov stated:

> ...in our view no amendments are needed in the antiballistic missile defense treaty of 1972 in order to clear the way for the establishment of a global defense system. We think that treaty has lost none of its importance; moreover, at a time when the strategic offensive systems have been drastically cut back, the treaty has grown even more important, and is the bulwark of strategic stability. We think it is no hindrance to the establishment of a global defense system because it restricts national defenses, while a global defense system that is to be developed, created and operated jointly, better on a multilateral basis, is not viewed by us as a national system.

Archaic Remnant

Past assumptions about missile defense as a certain catalyst for heightened arms competition and East–West enmity are archaic remnants of the Cold War. Rather than starting an arms race and undermining the arms-control process, as the critics promised, strategic defenses have become a means for East–West cooperation.

The Bush–Yeltsin summit in June showed that cooperative missile defense can be pursued parallel to major reductions in offensive weapons. Similarly, the cooperative pursuit of defenses, following an agreement to revise or replace the ABM Treaty or interpret it as irrelevant to GPS, clearly will not involve U.S. abrogation or violation of the treaty, as claimed by the critics. Moreover, consistent assertions by critics notwithstanding, missile defense easily can be anticipated as technically credible and affordable when the United States and Russia cooperate rather than compete.

UPI/Bettmann

Like the joint U.S.–Soviet space mission of an earlier decade, strategic defenses have become a means for East–West cooperation.

Russia and the West clearly have mutual incentives to move together to deploy defenses, with each side gaining greater security. This opportunity to pursue common security interests—not at the expense of one another, but in cooperation—would help define the type of improved relations that hopefully will characterize the post-Cold War order.

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America's Queen of Torts

The Long Arm of Texas Law

Michael D. Weiss

All across America people trying to do business are being victimized by frivolous lawsuits and civil judgments that have no relation to elementary principles of justice. President Bush has pledged to make reform of the legal system one of his principal objectives of his second term if he is re-elected. One need look no further than the president's own state of Texas to discover a tort crisis of epic proportions.

Texans have traditionally regarded their state as an entrepreneurial center. Today, however, litigation is the largest growth industry in the Lone Star State. Lawyers and courts have turned Texas from one of the nation's most attractive business climates into a litigation war zone from which major corporations are fleeing.

Texas has become America's "Queen of Torts" through a bizarre array of pro-plaintiff decisions handed down over the last 15 years by the Texas courts. The National Center for State Courts reports a 70 percent increase in the yearly number of Texas tort filings between 1981 and 1989. Home to 6.7 percent of the U.S. population, Texas now accounts for 10.3 percent of all major product liability suits, according to the American Insurance Association—some 50 percent more than the national average. The litigious environment takes a heavy toll on Texas employers and the workers who depend on them. A burgeoning injured-worker litigation industry has pushed workmen's compensation insurance to three times the national average. Meanwhile, thousands of manufacturers are considering pulling out of Texas because of the state's liability laws. Ray Perryman, an economist at Baylor University, recently estimated that "liability costs" have contributed to the layoffs of some 30,000 Texas workers. He also wrote that 3,300 manufacturers employing a total of 340,000 Texans were considering stopping all manufacturing operations in the state because of concern over legal liability.

Boys Named Sue

A horrible accident in September 1989 illustrates litigiousness run amok in Texas. A soft-drink truck in the town of Alton ran a stop sign and rammed a school bus broadside, sending it skidding into a gravel pit with 12 feet of water. Twenty-one of the 81 children on the bus were killed in the tragedy.

Even before all the bodies had been recovered, a barrage of lawyers descended on Alton and began to solicit business from grieving parents at the hospital, during wakes, and through the mail. Ambulance-chasing is not uncommon in America; what made the case unusual is that claims by the children's families represented only a fraction of the more than 100 suits filed. The plaintiffs included the truck driver, several rescuers, and at least one bystander who sued for the emotional distress he suffered from simply watching the 14-hour rescue. Seven volunteer firefighters filed a lawsuit related to the rescue in March 1992, citing mental anguish and physical injuries. Another plaintiff, a police officer, was persuaded to drop his case after his chief pointed out that his only duty had been serving Gatorade at the rescue site.

Alton is not alone. Two hours south of Houston lies Bay City, the unofficial litigation capital of the United States. The Matagorda County courthouse in Bay City offers lawyers the enviable combination of Texas's lenient liability statutes and an almost totally pro-plaintiff jury pool. Matagorda County juries have produced some of the largest jury-awarded settlements on record. In December 1984, one of these juries attracted national attention by awarding $8.5 million to a rancher for the loss of his prized Santa Gertrudis bull, "Superman." The animal died from a reaction to an insecticide applied in clear contradiction of the instructions. Unfortunately, the Mexican workers could not read the label's English-language warning against using the chemical undiluted. The jury ordered the insecticide's manufacturer to pay $1.5 million to cover the bull's value, and another $7 million in punitive damages. As the plaintiff's lawyer effervescently summed up, "That's a lot of moooo—la." At retrial, the settlement was eventually dropped to $3.3 million.

Plaintiffs' lawyers are anxious to file suit in Bay City, even if their cases have no connection to Matagorda

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County. In one case, a maintenance worker in Edna (200 miles from Bay City) fell 65 feet after a cable snapped; the fall left him a paraplegic. His suit named several people, including a Matagorda County resident who "happened to have done some work on the equipment." By including this repairman, the plaintiff could file his suit in Bay City. Although the phantom repairman was eventually dropped from the case, the trial continued in Bay City, and in 1983 a jury returned an award for $6 million in damages that was eventually settled for $4.75 million.

In response to this rash of suits and large jury awards, businesses have been trying to escape the jurisdiction of Bay City law. Southern Pacific Railroad has started ripping out its tracks from Matagorda County to avoid further litigation. The railroad has already paid out $10 million in legal costs since 1984 and faces 20 more suits in the county.

The Long Arm of Texas Law

The Texas Supreme Court is now striving to make Texas's "litigation capital" title an international one. In a recent decision (*Dow Chemical Company* v. *Alfaro*), the Texas Supreme Court directly contravened U.S. Supreme Court precedent by ordering its state courts to accept lawsuits arising from incidents in foreign lands. The decision in Dow involved a tort action on behalf of a group of Costa Rican banana-plantation workers who claimed to have become sterile after exposure to a pesticide. The workers filed suit against Dow and Shell, the pesticide's manufacturers. The law firm handling their case was unsuccessful in every other U.S. jurisdiction in which it tried to file the suit, until it finally succeeded in Dallas. Why Dallas? Because Dow Chemical, headquartered in Midland, Michigan, has an office there.

Another example illustrates the lengths to which Texas courts are willing to go to bring the world to their door. A citizen of Singapore was killed in that country while repairing a ship owned by a subsidiary of the Exxon Corporation that is based in Irving, Texas. When his widow sought damages, her suit was denied under federal maritime law. Nonetheless, a Texas appellate court later granted her a trial in a state district court, even though the appellate court's overruling of the federal court would seem to clearly violate the supremacy clause of the U.S. Constitution. In an even more bizarre twist, the case is to be tried under Singapore law.

Says Professor David W. Robertson of the University of Texas Law School, "If there's a message for lawyers outside of Texas with clients in a foreign land, it's, 'Call a Texas lawyer.'" Now, any American company or individual that has assets in the state runs the risk of being sued in Texas by a foreign plaintiff for injuries sustained on foreign soil.

Why is the world clamoring to get into the Texas Courts? Texas has some of the most lenient liability rules in the nation, which have in turn given rise to some of the largest awards. According to a survey done by the *National Law Journal* in 1990, a quarter of the largest verdicts in the United States occurred in Texas, including the largest corporate, asbestos, and product-liability verdicts. In the past three years, there have been 10 verdicts of $100 million or more in the United States. Four of them were in Texas. In 1989, *Forbes* magazine listed the 10 highest-paid American trial lawyers; six were Texans. According to Professor Tom McGarity of the University of Texas School of Law, Texas courts have expanded the rights of individuals to recover damages in several areas, including insurance, product liability, wrongful deaths, and claims against multiple defendants. "In the past, one could have said the Texas Supreme Court was behind the times," McGarity says. "Now, you could put the Supreme Court of Texas out on the cutting edge."

Photofest

Lawyers and courts have turned Texas from an attractive business climate into an entrepreneurial nightmare.

The Death of Contract

One of the most expensive "cutting edge" theories embraced by the court is lender liability. Lender-liability lawsuits based on undocumented, oral promises have been rife in Texas in recent years. In order to permit them, Texas courts have gutted both the statute of frauds, which prevents oral contracts from being enforceable, and the parol evidence rule, which prevents oral modification of written agreements. It is now up to juries to decide what the banks should or should not do, regardless of what the written loan documents say.

A 1988 case in Hurst, Texas, is a good example of lender liability in action. A business executive, after overdrawing a $500,000 line of credit from Texas Commerce Bank-Hurst and missing payments on a $30,000 Porsche, filed suit against the bank for lender liability. In the lawsuit, he alleged that the bank encouraged him to set a course of rapid growth for his company, and

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then reneged on promises to fuel the expansion with additional credit, thereby creating liquidity problems for himself and the company. He demanded millions in damages and a new Porsche. Two and a half years later he lost the suit, but only after the case had clogged the courts for hundreds of hours and cost the bank thousands of dollars in legal fees.

In another case, five shareholders of a bankrupt company received an $18.5 million lender-liability verdict from a bank that refused to break federal law to extend them a $3 million loan. Federal bank regulators had issued a cease-and-desist order to Mbank Abilene, forbidding it to lend more money to the consortium because such a loan would violate federal banking lending limits to a single borrower. The shareholders, who had been aware of the law, filed suit. The jury returned an initial verdict for more than $100 million in damages, reduced by the judge to $69 million, and reduced by the appellate court to a still whopping $18.5 million.

The court ignored the absence of a written loan document for the $3 million, and also rejected the bank's defense that it was following prudent federal regulations. Even more shocking, the borrowers had signed a release of their legal claims. The court found that the release was signed under financial duress and was therefore invalid. This was a different kind of decision than the famous $11 billion judgment in favor of Pennzoil, which claimed that Texaco's purchase of Getty Oil had violated a wholly oral contract between Pennzoil and Getty. In the Mbank suit, the litigants insisted that their written contract was superseded by a self-serving oral statement. With the Mbank decision, the court invalidated the very concept and purpose of a written contract. In Texas, apparently, one need no longer bother.

A tragic bus crash led to suits by seven volunteer firefighters, and a policeman who served Gatorade at the rescue sight.

Victory in Abilene set litigious pulses racing cross the state. By 1989, more than 400 so-called lender liability lawsuits had been filed. According to Karen Neeley, general counsel of the Texas Bankers Association, state banking officials have determined that if all the current lender-liability suits against state banks were successful, the damages would "approximate the total capital of all the state banks." The reason for this huge potential liability? Once convinced of lender impropriety, Texas juries come out swinging. Sunbelt Savings Association of Texas (Dallas) was issued a $62.9 million penalty for violating covenants of a $16 million construction loan. Texas Commerce Bank-McAllen was ordered to pay $59.5 million for failing to extend $1.5 million of promised funding for a furniture store.

The notion of financial liability is spreading to accounting firms as well. This February, a Galveston jury slapped a $568 million verdict on accounting firm Coopers & Lybrand and California investment firm Hambrecht & Quist in a suit over losses incurred by a computer-component manufacturer. As is typical with Texas-sized verdicts, the judgment was 50 times higher than the damages found by the court.

A Mouse in His Beer

Symptomatic of all of Texas's tort problems is product liability, the area that the Perryman study fingered as the most crucial factor in Texas job loss.

A recent case involves a plaintiff who suffered vision loss in an eye that was hit by a bottle cap as he opened the bottle. The Houston jury awarded damages that now stand at about $2 million. In a 1990 ruling upholding the judgment, the Supreme Court of Texas agreed with the plaintiff that "the evidence shows conclusively that [the defendant] was consciously indifferent about the possibility of bottle cap blow-off." What makes the judgment so unfair is that the party found negligent in this case, the manufacturer of the bottle capping machine, had indeed warned the soft drink maker of the danger of caps blowing off the bottles. It is unclear what the machine's manufacturer should have done further, since it had no control over the product's label, where a printed warning presumably would have gone. Nonetheless, the court held the defendant negligent, and further stated that no reasonable jury could have done otherwise.

In another well-publicized case in 1988, a Texas policeman, who claimed he found a headless mouse in his beer, won $550,100 in a product liability action against the manufacturer of the beer. The officer claimed damages on the grounds that he suffered from nausea for a month after the incident, was unable to deal with drunken driving or public intoxication suspects on his job, was unable to watch beer commercials on television, became terrified of rodents, and was forced to give up hunting.

The courts have made further expansions in the field of wrongful death. In a recent case involving a collision between a car and a train, a jury in Angleton ordered the Missouri-Pacific Railway to pay the car driver's family $12.5 million, including $10 million in punitive damages. The train had been moving at a lawful speed and had legal right-of-way over the car. Nevertheless, the jury found that the railroad had acted with "malice" because the rail-highway intersection was insufficiently marked, having no lights, bells, or gates. This finding was reached even though the railway had no legal right to install such warnings even if it deemed them necessary. A railway official explained, "We cannot put signage up on our own....It's within the exclusive authority of the state highway department."

Workmen's Compensation Travesty

Judicial activism has contributed to the Texas tort crisis in two ways. First, it has expanded the basis of

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liability well beyond the common law. Additionally, and potentially more dangerously, Texas courts have used their power of judicial review to insulate themselves from legislative control, declaring attempts to limit litigation unconstitutional.

The courts have prevented the state legislature from returning the Texas Workmen's Compensation system to its original purpose—providing a regular procedure that would simplify recovery for injured workers without the need for lawyers. Texas workmen's comp rates are currently three times the national average. Texas employers' workmen's compensation costs have risen dramatically since 1984, and are now the fifth-highest in the nation. Lawyers get most of the benefit: injured workers in Texas receive the eighth-lowest benefits in the nation. Insurers writing workmen's compensation policies in Texas lost more than $580 million in 1988 alone. One large employer in the Texas panhandle, Excel Corporation, puts the estimate of an average worker's comp claim at more than $20,000. Such a claim usually includes visits to three or four medical providers and, in almost all cases, consultation with an attorney.

The method to all this madness lies in Texas's unusual trial system. Under this system, almost all Industrial Accident Board (now the Workmen's Compensation Commission) decisions are challenged with an appeal for a jury trial. This course is particularly effective for the claimant, since the jury is not allowed to consider the hearing-officer's findings. Texas is one of only three states to follow such a system (Maryland and Ohio are the other two). In all other states, appeal to a jury is permitted only when the law is misapplied. Under Texas's system, attorneys are involved in almost all cases, and receive up to 25 percent of litigated workmen's comp awards. The procedure defeats the whole purpose of workmen's compensation, which is to take these decisions out of the regular courts.

In 1989, the Texas legislature rewrote the workmen's comp laws to permit fewer appeals and to lower attorney fees. These legislative reforms, however, were declared unconstitutional by Judge Ray Perez of Eagle Pass, who ruled that the new system was "unreasonable and arbitrary." In other words, the new system did not guarantee each claimant his day (and what is more important, a lawyer's day) in court.

Since the invalidation, more and more companies have decided there is no point in paying workmen's comp premiums if the system can't protect them from arbitrary court judgments. "There are now more nonsubscribers than there are subscribers" to the Texas workmen's comp system, according to Bennett W. Cervin, a Dallas attorney. He continues, "Historically, a subscribing Texas employer's liability has been considered to be limited to its insurance premiums and, with the exception of the recovery solely of exemplary damages under a claim of gross negligence, the employee's exclusive remedy was the benefit scheme provided by workers compensation." Texas employers now face unlimited liability for workplace injuries, and given the past tort decisions in the state, may well be the ones incurring the worst of these injuries.

Only three other states allow judges to solicit campaign contributions directly.

Tom Callins

Of the 10 highest-paid trial lawyers in America, six are Texans, such as Joseph Jamail.

A similar situation occurred when the Texas Supreme Court declared unconstitutional a legislative attempt to limit doctors' liability in malpractice cases. In May 1988, a 7-to-2 majority struck down the medical-malpractice caps in personal injury cases. The court claimed that the Texas legislature violated the open courts provision of the state constitution, even though a medical malpractice claimant is allowed to recover all past and future medical expenses without limitation. After the decision, Texas doctors involved in obstetrics saw malpractice claims double, and insurance premiums triple, in only three years. In response, almost two-thirds of family physicians (who in many rural communities are the sole providers of obstetric services) and one-third of the obstetrician-gynecologists stopped delivering babies altogether. The problem is especially severe in Houston, where verdicts

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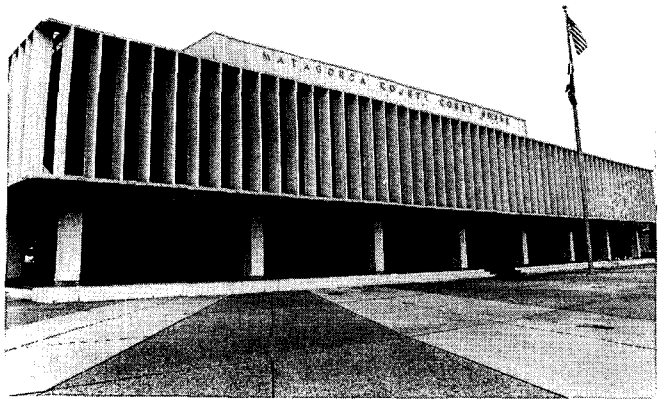

Reynolds

Suits in Texas can be filed in any county. Plaintiffs' lawyers prefer the juries of Matagorda County, the litigation capital of America.

have been especially high. According to a recent Texas Medical Association study, 35 to 40 percent of Houston's obstetricians have left their practices in the past five years.

Deep in the Heart of Excess

The Texas judiciary has essentially become an instrument of the plaintiffs' bar. Judges in Texas are elected, with no restrictions on campaign contributions. The result is a takeover by special interests of the sort predicted by public choice theory. Public choice theory, first—and most eloquently—propounded by Nobel laureate James Buchanan and Gordon Tullock's path-breaking work, *The Calculus of Consent*, argues that vote-maximizing legislators and rent-seeking interest groups combine to subvert the democratic process.

According to this theory, small groups of powerful or wealthy people organized around some common interest will seek to gain state-enforced economic privileges (rents) by exercising disproportionate influence on the political process. Texas lawyers have received national attention for their rent-seeking. In December 1987, CBS' "60 Minutes" posed the question, "Is Justice for Sale in Texas?" The segment discussed Houston personal injury lawyer Joseph Jamail's large contributions to the Texas Supreme Court Justices who were to preside over his multi-billion dollar verdict in the Texaco-Pennzoil case. Subsequent to Jamail's contribution, the Court denied Texaco's appeal, an appeal based in part on the fact that Jamail contributed $10,000 to the trial judge Anthony Farris days after Farris received the case.

Texas has extraordinarily liberal campaign finance laws for judicial elections. Only three other states allow their judges to solicit funds directly: Alabama, Louisiana, and California. In 1989, the Texas Supreme Court amended the Texas Code of Judicial Conduct to allow judges to solicit contributions for office-holding expenses, including living expenses. For example, out of the nearly $1 million raised by Harris County district judges in 1990, only 30 percent went toward campaign expenses. The rest of the contributions paid for travel, dues to the state bar association and other organizations, magazine subscriptions, meals, charities, car phones, season tickets to Houston Rockets basketball games, a handgun, other political campaigns and, in one case, a judge's personal car payments. "That comes real close to being a salary supplement paid for by lawyers who practice before their court," says Anthony Champagne, professor of government at the University of Texas at Dallas.

According to a study by the Texas Supreme Court Justice Committee, from 1978 to 1988 23 firms and individual attorneys contributed $2.6 million to Texas Supreme Court Justices. Of that sum, 85 percent came from trial lawyers. By 1989, contributions from eight lawyers and law firms accounted for 18 percent of the nearly $8 million spent by Supreme Court jurists in the previous decade, according to election studies. And members of those eight firms appeared at least 28 times before those judges since 1985.

An Electoral Challenge

Texans may have had enough of the financial ties between judges and the plaintiff lawyers who benefit from large awards. A recent Gallup Poll conducted for the Texas Public Policy Foundation in San Antonio found that 91 percent of Texans believe that there are too many lawsuits, and 73 percent favor capping contingency fees. Opinion polls show that Texans strongly support the continued appointment of judges through popular elections.

An important race in the 1992 general election could turn the corner on court reform; current Supreme Court Justice and former plaintiff attorney Oscar Mauzy is facing a challenge from state appeals court Judge Craig Enoch. Enoch criticizes Mauzy for taking large campaign contributions from lawyers who argue cases in his court. In a recent gift to the University of Texas School of Law, Jamail donated money in the name of Oscar Mauzy. In 1990 in his try for election for chief justice, 86 percent of Mauzy's contributions came from trial lawyers—and another 6 percent from their spouses. In the current election Mauzy is running again at the 86-percent rate.

The most efficient way to go after judicial distortion is to disqualify lawyers before interested judges. If judges were disqualified from hearing cases involving their contributors, parties would no longer contribute solely to seek rents.

Texas has the nation's highest workmen's comp costs and the eighth lowest benefits for injured workers.

As to the legislature, laws must be written to reflect the public costs of the tort crisis. The state's liability statutes must be amended to provide for punitive damages only when there is clear and convincing

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evidence that a defendant's actions showed willful misconduct, malice, or fraud.

In product liability lawsuits, judges should assess the portion of the responsibility for a product-related accident, and install a two-part trial system that would require juries to determine first whether a manufacturer was liable for damages and award compensatory damages, and then separately decide the amount of any punitive award. Further, the absence of a warning or instructions should not necessarily allow a product liability action if the danger or safe use associated with a product is obvious, known by the person using the product, generally available to users, or not known to the manufacturer or seller at the time the product is supplied. A defendant should not be found liable in cases concerning alleged design defects unless it is proved that a "practical and technically feasible safer alternative design existed" when the product was made or sold. Many of these proposals have already been suggested in tort reform proposals put forward by Texas Representative Curtis Seidlits in 1989, and again in 1991.

Reasonable limits should be placed on the jurisdiction of Texas courts, limiting them to cases where suit in Texas is most convenient for all the parties. Texas should not be the world's courthouse.

The open courts provision of the Texas constitution (originally adopted to allow frontier counties that did not yet have a courthouse to use those of their neighbors) should be amended to limit its reach to its original intent. Limits should be placed on punitive and other speculative damages, and the workmen's compensation system should be overhauled to remove the lawyer's right to "their day in court."

Reasonable limits should be placed on the jurisdiction of Texas courts.

With these changes, the disproportionate effect that plaintiff lawyers have on the judicial system would be minimized and democracy could again take control. These changes could also have a profound impact of the state's economy. Texas could again become a world leader in something other than litigation.

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Letters

Senator John Glenn, Lewis Crampton, Ralph Engel, Frederick A. Mason, Lawrence M. Mead, William M. Schenck, David S. Bernstein, Delores Carpenter, George Grant, Judie Brown, Stephen Moore, Donald Devine, Jude T. Wanniski

Secret Deregulation

Dear Sir:

In their article, "The Ink of the Octopus: An Agenda for Deregulation" (Summer 1992), James C. Miller III and Phillip Mink take pot shots at a wide variety of Federal regulations, laws, and lawmakers, especially me. I can take the heat of public life, so the personal sniping is a minor matter. What bothers me more is their "the end justifies the means" approach to government decision-making.

In their championing of the White House's secretive regulatory review process, and in their calls for the President to assert more unilateral authority over Federal policy, Miller and Mink seem to forget that ours is a nation of laws; that once passed by Congress and signed into law by the President, the laws are to be faithfully executed, not ignored, distorted, or secretly undermined.

The best defense against any tyranny, be it by an autocrat, an oligarchy, or a bureaucracy, is openness. As Chairman of the Senate Governmental Affairs Committee, I have always considered one of my most important responsibilities to be ensuring accountability in government decision-making. Simply put, the ends do not justify the means. If our administrative decision-making cannot withstand the light of day then its decisions cannot be trusted to stand, either. If government is not accountable, then it is not credible; and thus, loses its legitimacy with the people.

These truths are critical to the proper and open administration of law and undergird my approach to government. Thus, while I share some of Messrs. Miller's and Mink's criticisms of government, I do not agree with their solution. For example, I heartily agree with their initial statement, "While some regulations generate considerable benefits, others are wasting many billions of dollars each year. This waste lowers productivity, stifles innovation and destroys jobs." Nevertheless, we must consider, how do we design a process that produces the best decisions possible, that ensures that decision-makers have all the facts available, gives all interested parties equal access to make their thoughts and feelings known, and produces a decision and a record that accurately reflects the decision-making process?

The past decade has shown that the Office of Management and Budget (OMB) and now the Council on Competitiveness are not guided by these principles. Rather, they are intent on using the powers of their offices to change government decisions behind closed doors. This is unacceptable.

As the authors point out, in 1990 I worked with the Bush Administration to arrive at a sensible compromise on structuring the Office of Information and Regulatory Affairs' paperwork clearance and regulatory review process. The Bush Administration and I agreed on the solution. Anonymous Republican Senators did not, and they succeeded in scuttling the legislation.

Being a lawmaker means to me to strive to make government work better. The 1990 attempt at compromise was such an effort. I want to make government work. I do not want to erect ideologically correct but practically useless solutions to academic problems, be they liberal or conservative.

My bottom line is that if the process by which administrative agencies implement our laws cannot withstand the light of day, then they should not stand at all.

Instead of wistfully remembering the behind the scenes power he wielded in OMB, Mr. Miller should think of the democratic power we need to give back to the public, so that they can reclaim their government as their own. Openness in government decision-making is a must for this to take place.

Senator John Glenn
Washington, DC

James C. Miller III and Phillip Mink Reply:

We find much to commend in Senator Glenn's response to our article. If we can all agree that unnecessary federal regulation poses a problem for the nation, then we are on our way to a solution.

The Devil, however, is in the details. Senator Glenn would have us believe that the OMB and the Council on Competitiveness secretly undermine the laws of the land by forcing agencies to issue distorted regulations. But those pesky details fail to materialize. Senator Glenn fails to provide a single example of the abuse of which he speaks. The simple reason for the omission is that OMB and the Council don't undermine laws, they force overreaching agencies to get their hands out of the nation's cookie jar.

As for the much-ballyhooed secrecy, Senator Glenn doesn't mention that OMB is subject to disclosure requirements more extensive than those required of the agencies. As for the Council, the President is constitutionally empowered

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to implement the laws of the land as he sees fit, so long as he obeys the law. Which, as evidenced by the lack of evidence of abuse, he does. Despite the constant demagoguery by the Council's detractors, no court has held the basic framework and procedures to violate any law or the Constitution.

In any event, we doubt that secrecy is the real issue. Indeed, we would like to advance the unorthodox view that, if Senator Glenn is serious about openness, he would address the problem by introducing legislation that would subject the Executive *and* Legislative branches to the same disclosure standards. That would allow the public to know who on Senator Glenn's staff is talking to whom, and what they are talking about.

For instance, perhaps Senator Glenn or his staff has close contacts with Environmental Protection Agency staffers who want to expand their power over job-creating small businesses. Perhaps they want to do so even though the public would derive virtually no benefits from the move. Wouldn't the public benefit by knowing about these possible agency agendas and Senator Glenn's or other lawmaker's participation in them?

We await legislation from Senator Glenn that truly addresses openness in government. In fact, if he introduces it, we will support it.

Green Democracy

Dear Sir:

In taking on environmental education as a presumably "hot button" surrogate for environmental policies and programs with which he disagrees, Jonathan Adler ("Little Green Lies: The Environmental Miseducation of America's Children," Summer 1992) has trained his blunderbuss on the wrong target.

Neither Congress in passing the Environmental Education Act, President Bush in supporting and signing the legislation, nor the Environmental Protection Agency (EPA) in implementing it has anything like the "political indoctrination" of American children in mind. In fact, it is precisely the "careful, thoughtful, and non-ideological" presentation of environmental issues Mr. Adler calls for in his article that EPA's environmental education program has been encouraging.

Obviously, not all of the environmental education materials on the market are carefully balanced or ideologically neutral; but a great deal of high-quality educational material *is* available, and EPA is working to encourage its use and to develop more. Mr. Adler's assertion that "much of what is taught to children is simple-minded and inaccurate," based on a few examples, is guilty of the very crime it charges.

For the record: EPA believes that environmental education should not tell people what to think or how to behave; rather it should teach people how to think for themselves. Environmental education should help people to make their own decisions about how they will interact with the environment.

And contrary to Mr. Adler's one-sided analysis of environmental issues, the actions of individuals *do* matter. Unnecessary driving, careless waste disposal, and profligate resource use *do* adversely affect the environment. People need to know the effects of their behavior to make informed choices. They also have a right to know how they can influence public policy. Raising awareness and consciousness does not amount to political indoctrination. What it does amount to is democracy.

Lewis Crampton
Associate Administrator
Environmental Protection Agency
Washington, DC

Shaving Cream Not Dangerous

Dear Sir:

Children's interest in the environment should be fostered. But we agree with Jonathan Adler that producers of educational and entertainment materials are too often trying to be "green" without first checking their facts.

We are especially concerned with Adler's point #10, "The Ozone Layer Is Going, and So Are We," because it plays into a common misconception about ozone depletion and aerosol products. American-made aerosol products have not used CFC propellants since 1978, except in a few government approved medical uses. Almost 15 years later, a startling 86 percent of Americans are still unaware of that fact (Roper Organization, 1991). An informal survey at the National Science Teachers Association further revealed that 55 percent of America's science educators don't know the facts either. Whom do they blame? The educational materials and entertainment media mentioned by Adler.

For instance, the Teenage Mutant Ninja Turtles' "ABCs For A Better Planet" not only tells children about "the sun's deadly radiation," it also misinforms children, "CFCs are the gases used to push the stuff out of aerosol cans." The All-American "G.I. Joe" cartoon aired an episode in which the bad guys plan to destroy the ozone layer with shaving cream that "contains aerosols." A caricature of Ted Koppel reports in a "Funky Winkerbean" comic strip that "the hole in the ozone layer above Westview High is there because of all the hair spray used by teenage Fluff Chicks."

With reinforcement like this it's no wonder Americans, both children and adults, are confused about ozone depletion. Kudos to Adler for bringing the issue to light.

Ralph Engel
President
Chemical Specialties
Manufacturers Association
Washington, DC

Jonathan H. Adler Replies:

While in his letter Mr. Crampton eschews those educational materials that do not discuss environmental

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issues in a "careful, thoughtful, and non-ideological" manner, his office promotes the materials of various environmental organizations, such as Worldwatch, Zero Population Growth, and Friends of the Earth. EPA's *Earth Notes* newsletter, distributed to educators for grades K-6, promotes the hysterical children's book, *The Greenhouse Effect: Life on a Warmer Planet*, among many of the other materials I discussed in my article. The Planned Parenthood Federation of America is even listed as an environmental organization in the EPA's *Environmental Health Education for Youth* resource manual. The EPA is doing far more than informing groups of "what avenues are open to them to influence public opinion." It is promoting alarmist environmental propaganda to educators at the taxpayer's expense.

Mr. Crampton asserts that "EPA believes that environmental education should not tell people what to think or how to behave." Yet, the EPA produces and distributes materials instructing children to "Recycle Today!" and "Buy recycled or recyclable products." Other materials tell children not to fill their tubs when bathing and to "set back your thermostat." Indeed, Mr. Crampton has himself explained that "Our task is to bring our habits, choices, and lifestyles into harmony with the needs of nature."

Perhaps Mr. Crampton should be less concerned with the fact that EPA may be advising children on how to treat the environment, and more with the fact that EPA often misrepresents the facts. He criticizes what he calls my "one-sided analysis," but nowhere does he challenge my discussion of the particular issues. The EPA's materials are certainly in need of revision before they are distributed to more children.

Church Is Not the Whole Answer

Dear Sir:

In his article ("That Old-Time Religion: Why Black Men are Returning to Church," Summer 1992) Tucker Carlson asserts that fundamentalist churches do the best job attracting black men. As an African-American clergyman in the Roman Catholic Church, I find this suggestion misleading.

Churches that are successful in attracting black men tend to empower, nurture, and affirm them regardless of the church's theological doctrine. It is interesting to note that Louis Farrakhan's Nation of Islam exemplifies a non-Christian religious institution in the black community that has been successful in recruiting black men.

Historically, the black church has been the support system for the black community in the face of a racist society. Black churches have always included social activism. The current failure of churches to successfully address the issues of racism, unemployment, AIDS, and black male youth is directly related to this lack of black male empowerment.

The Seventh National Black Catholic Congress held this July in New Orleans found the disintegration of African-American families linked directly to the "systematic degradation of the African-American male." The Congress identified this as a "multidimensional problem" created by a number of complex social, economic, and historical factors of which the institutional church is but one part. The church must be part of the solution, but it cannot be, as Mr. Carlson seems to imply, the only solution.

The Reverend Frederick A. Mason
National Black Clergy Caucus
Opelousas, LA

EPA is promoting alarmist environmental propaganda to educators at the taxpayer's expense.

—Jonathan H. Adler

Order Means Freedom

Dear Sir:

Tucker Carlson's article confirms what I suspect many policy analysts realize—the primary needs of wayward black men are for spiritual things—direction, responsibility, and self-respect—and not for the benefits government provides.

Fundamentalist churches probably do provide this direction best. The disordered poor are looking above all for structure. For them, the Good News has to mean order and authority before it can mean freedom. Liberal churches are too interested in liberating the poor and shifting the responsibility for their problems to the environment.

The key to the churches' success with families appears to be that they set limits to the pretensions of black women, to which feminism has given undue license. Poverty experts tend to blame black fathers for deserting their families, but the mothers bear an equal responsibility for refusing to support their husbands. They, and society, have to accept that low-skilled men deserve respect if they are steady providers, even if they are not "successful" in income terms.

I am left with two questions. First, are the majority of the 40,000 black churches succeeding with men in the way Mr. Carlson describes or are most continuing to decline?

Second, Mr. Carlson argues that churches can give direction to black men much better than government programs and institutions. This is currently true, but is it necessary? Time was when social workers, teachers, and policemen delivered much the same message to poor people as black preachers are sending now. Unless government recovers the authority to do this, no churches, no matter how effective, will make more than a dent on the poverty problem. This is what the effort to reform welfare, education, and law enforcement is all about.

Lawrence M. Mead
Department of Politics
New York University
New York, NY

Poverty is the Real Problem

Dear Sir:

I take exception to two ideas that

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seem fundamental to Tucker Carlson's argument: "Bringing black men back to church is the answer to many of America's greatest afflictions;" and "Violence, crime, and illegitimacy are rooted in moral rather than economic weaknesses."

One cannot argue that moral values don't play a stabilizing role in modern society. Certainly it is heartening that in the examples that Mr. Carlson cites the strong influence of fundamentalist Christian belief has enabled some inner-city black men to gain a hold on their lives. Is this return to religion indicative of a trend, or has it simply occurred in a small number of congregations where charismatic pastoral leadership has made a difference?

The basic problem for the men Mr. Carlson describes lies in the hopelessness resulting from chronic unemployment and from the low educational standards prevalent today in our inner cities. Would these same black men have found fundamentalist religion as appealing if they had the benefit of a high school or even a college education, and the sense of security that comes from steady employment?

I must agree with Mr. Carlson that what he terms the "headship principal" does seems anachronistic in the 1990s. It is a principle that found meaning in primitive pastoral societies. Successful family structures today seem rooted in mutual love and respect between husband and wife, ideally buttressed by solid moral standards, rather than in a situation where the husband's so-called authority is key.

Only when we see as top priority national policies that open up economic and educational opportunities for inner-city residents can the urban problems of our time be solved. It will be so much better if religion can play a significant part in that revival.

William M. Schenck
Lee Center, NY

Liberal Ministers Deserve More Blame

Dear Sir:

Tucker Carlson is exactly right in lauding the role of fundamentalist churches in providing spiritual guidance for black men. No other institution in our society is doing more to save impoverished black Americans from hopelessness and despair. However, Mr. Carlson does not come down hard enough on the abject failure of the mainstream black churches. Whether AME, Baptist, or other denominations, those pastors who have bought into the leftist ideologies that have infected many white churches are at the forefront of the forces that are destroying black communities.

As James Johnson, a young black student at a conservative Presbyterian seminary, wrote last December in the Madison Center's *Diversity and Division* magazine: "Since the late 1960s, there have been increasing numbers of black clergy who have graduated from mainline divinity schools where numerous liberal fad theologies dominate the curriculum....They reject much of the traditional interpretation of Scripture and the notion of its divine inspiration. The more extreme denounce Scripture as a tool of racial, sexual, or ecological oppression.

"These ministers with their bizarre political agendas ranging from feminism to environmentalism to animal rights to homosexuality...fail to speak to the spiritual concerns that have always been the strength of black churches."

The Reverend Jesse Jackson is the exemplar of this new breed of minister. In addition to his identification with the alleged global struggle of "persons of color" against white imperialism, Jackson broke new theological ground in his recent speech before the Democratic National Convention, by comparing the Virgin Mary to Murphy Brown.

But the rise of the Jackson-type of liberal ideologue in the black ministry is the result of the theological corruption within mainline white denominations, from Presbyterian to Catholic to Reform Judaism, who have cast aside all hints of spirituality in their pursuit of materialist ideologies. We can only hope that the growth of fundamentalist black churches will lead to a similar revival among mainline institutions.

David S. Bernstein
Editor
Diversity and Division
Washington, DC

Sexist Inferences

Dear Sir:

Tucker Carlson's article on black men returning to church was well-researched and provocative. However, several things troubled me about it. First, "fundamentalist" is not a term indigenous to the black church. Black churches have doctrinal distinctions, but do not distinguish themselves along lines of theological fundamentalism. The majority of black churches are Bible-centered and Jesus-centered, irrespective of denomination and class. Adjectives such as "high," "silk-stocking," "dead/cold," "lively," "Spirit-filled," "full-gospel," "social-activist," or "Word" church are closer to the ways black people distinguish one category of church from another today.

Second, the thesis that theologically fundamentalist churches are most effective in getting black men to return to the church is handily refuted by churches such as the First African Methodist Episcopal Church in Los Angeles, which is noted for one of the best male enhancement church-based programs in America. Few observers would conclude that the Reverend Chip Murray's church is fundamentalist. Yet he is widely sought out for advice and council in the establishment of men's ministries.

Third, men's ministries such as men's Bible classes have more to do with specialized planning and programming than with the theological orientation of those who

The Good News has to mean order and authority before it can mean freedom.
—Lawrence M. Mead

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have special gifts for the evangelism of men.

Fourth, the sexist inference that men return to churches where pastors teach patriarchal, hierarchical notions of male leadership and headship at church is a notion that Biblical scholars in recent years have worked hard to dismantle. I hope that the "old-time" religion contains a more enlightened approach to the interpretation of scripture—one that reinforces the egalitarian understanding of "headship" as a "source," and not as a requirement to "rule over."

The Reverend Delores Carpenter
The School of Divinity
Howard University
Washington, DC

Tucker Carlson Replies:

The Reverend Carpenter is quite right to point out that the term "fundamentalist" is not one many black churches use to describe themselves. I used the word fundamentalist to describe churches that had two things in common: a nearly literal interpretation of the Bible and an emphasis on personal change (repentance, upright living, etc...) over social change.

The Reverend Carpenter calls it "sexist" to say men are drawn to churches that emphasize male leadership. She misunderstands the headship principle. As I tried to make clear, the notion of male "headship" is rooted in a man's *responsibility* for his wife and children, not in his power over them. Women in the churches I described are not discouraged from earning more money than their husbands or from making significant decisions within their households—in fact many do. The fundamentalist idea of patriarchal authority begins and ends with a husband's duty to protect and care for his family. Besides, outside of feminist literature, marriages in which one partner is totally dominant are rare; as even men with the most authoritarian pretensions soon discover, day-to-day authority in marriage tends to be equally divided between spouses.

Mr. William Schenck asks if well-educated black men are as apt to join fundamentalist churches as ignorant ones. Contrary to his insinuation, these churches are not just for people without better options. Although a large number of fundamentalist black congregations are located in blighted inner-city neighborhoods, many are attended by successful professionals. Churches like Houston's Joy Tabernacle or Detroit's Word of Faith Christian

Center probably draw as many accountants on Sunday mornings as janitors.

Mr. Schenck asserts that increased funding from government is the only way to really help black men. More government meddling in the urban crisis would be like putting leeches on a cancer patient: it's been tried before and we know it doesn't work. Real solutions must be based in common sense and must originate on the local level—two qualities that by definition are beyond the scope of government.

Finally, the Reverend Mason seems to believe that a church's highest calling is to "empower, nurture, and affirm" its members. This is precisely the attitude that has driven so many black men from churches in the last two decades. Men do not want to be empowered and affirmed—whatever that means—as much as they want a place in a higher order and a clear understanding of right and wrong. And so it is consistent that the Reverend Mason ends his letter by insisting that the church "cannot be...the only solution" to the problems of black men. Indeed, his church cannot. But he underestimates the healing power of the many black congregations that eschew the latest social fads to minister to men and women in a way they need it most: spiritually.

Radicalism Works

Dear Sir:

Marvin Olasky's "Victorian Secret: Pro-Life Victories in 19th-Century America" (Spring 1992) is a balanced, insightful, practical, and academically sound approach to the abortion morass. I see it as a breath of fresh air for those of us who have been concerned about the acrimonious wheel-spinning of much of the pro-life movement and the inevitable albatross effect it has on the rest of the conservative agenda. His warnings against the excesses of diatribe and activism are well taken.

Having said this, I must simultaneously take exception to Mr. Olasky's ultimate conclusion that a policy of stigmatizing and containing abortion is "a better model for the pro-life movement." Whether he means merely to propose a new analogy for framing the issue, or to lay out a kind of Niebuhrian *realpolitik* tactical procedure remains unclear to me. Either way, implicit in his argument are three false assumptions: First, that an absolutist position on child-killing is *ipso facto* immoderate, perhaps even comparable to the bizarre radicalism of John Brown-style abolitionists; second, that the pro-life movement can be sustained merely with rational, constitutional, medical, or vaguely pluralistic ethical concerns; third, that the American experience is either the best or the normative historical model that we ought to look to for pragmatic guidance in these matters.

The pro-life movement is 20 centuries old. During that remarkably varied history, long-lasting, culture-changing successes—of which Mr. Olasky's abbreviated Victorian movement was certainly not one—came only when Christian believers, moved by the absolutes of their holy scriptures, took an unwavering stand against the taking of innocent life. Mere stigmatization or containment was out of the question to those pro-life pioneers. Their multi-generational vision, patience, pur-

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posefulness, valor, and steadfastness often manifested themselves in moderation but never in tolerance. As a result, the legacy they handed down through the ages in the West has always been unequivocal on the question of the sanctity of human life—whether raised over questions of infanticide, exposure, abandonment, triage, human sacrifice, cannibalism, or abortion. On this one issue at least, there has never been room for compromise or accommodation.

"Murder is not debatable." Those words were uttered nearly a century ago by Theodore Roosevelt. They evidenced his commitment to that age-old Christian tradition—to protect innocent life at any cost. He saw that tradition as the non-negotiable foundation-stone of liberty. He said: "In securing any kind of peace, the first essential is to guarantee to every man the most elementary of rights: the right to his own life. Never will I sit motionless while directly or indirectly apology is made for the murder of the helpless. Shall we by silence acquiesce in an amazing apology for murder in our own country? Never. Murder is not debatable."

As much as I am attracted to Mr. Olasky's sound pro-life stance and his sane practical cognizance, I must make my stand with Roosevelt and the thousands upon thousands of ardent and absolutist pro-lifers who went before him. The policy equivalent of establishing child-killing red-light districts ought to be an intolerable position to us because it is a blatant and unmitigated attack on the very fabric of our freedoms.

I have no doubt about Mr. Olasky's commitment to somehow eliminate the blight of child-killing in modern America. And I have no doubt that he has revealed for us a marvelous Victorian secret—a new perspective of an effective pro-life movement in the 19th century. I am just afraid that he has drawn the wrong conclusions from this treasure trove—be they merely strategic or more profoundly philosophical.

George Grant
Executive Director
Legacy Communications
Franklin, TN

Olasky Doesn't Learn Lesson

Dear Sir:

Marvin Olasky fails to learn his own lesson in spite of the enlightening historical material he uses to draw his conclusion.

Mr. Olasky holds out the legislation of the early-1900s as being "educational" and serving, of itself, to deter abortion. In light of this, how can Olasky then criticize those who seek laws in the late-1900s that educate Americans to the personhood of the pre-born child and the value of all human life?

In dealing with the death mentality that currently threatens us all, there is no better teaching tool than the Paramount Life Amendment. The most instructive message the pro-life movement can send to our society is simply: "The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health, or condition of dependency."

By comparison, what example do we set when we state that some human lives have value and must be protected by law, while others—babies conceived as the result of rape or incest, for example—have no value and should not be protected? That is precisely the type of situational ethics message that now allows the aged and dependent to be killed because society has decided they have no value.

We must reassert the intrinsic value and legal personhood of all human life. We cannot focus solely on the child, but also on the mother, the aged, the dependent, and the handicapped. In this way we can present the consistency that comes from the universal application of principal and provide a clear moral message for others. Hypocrisy, whether through the selective protection of the preborn or the aged, sends the message that we are simply "drawing the line" differently.

Mr. Olasky makes much of the various assistance agencies and programs available in the early 1900s, but doesn't give credit to the thousands of crisis pregnancy centers, maternity homes, "800-number" hotlines, abstinence and self-esteem programs operating today. Surely there are more of these services per capita today than there were earlier in this century.

Our society has changed, is changing, and will surely change again. We must keep pace by better using the tools at our disposal—television, radio, billboards—but without abandoning the principals that are our foundation.

We can no more "contain" the twin threats of abortion and euthanasia with selective protection than Neville Chamberlain contained Hitler and obtained peace in his time through concession.

Judie Brown
President
American Life League
Stafford, VA

Marvin Olasky replies:

"Try a murderer for tax evasion?" one of the good guys in the movie *The Untouchables* asks. "It's better than nothing," replies his friend, and the successful effort to put Al Capone behind bars gets underway. Elliot Ness was not soft on crime, but he knew that his job was to get a murderer off the streets. That's what we should do with today's abortionists.

The question is how—and what I propose in "Victorian Secret" and document in a just-published book, *Abortion Rites: The Social History of Abortion in America*, is an approach that worked a century ago and can work today. Then, as now, the biblical and mature strategy was "all or something" rather than "all or nothing." Then, as now, strong preaching and tough argumentation went along with compassionate programs to save unborn children and turn around women's lives. As Judie Brown suggests, and as my wife and I have written in a previous book, *More Than Kindness*, the thousands of crisis pregnancy centers, maternity homes, adoption agencies, and abstinence programs in this country should be at the center of today's pro-life movement.

Just as Ronald Reagan understood that the best way to defeat the "evil empire" was to apply steady pressure, so pro-lifers must stay the course and be glad that the past decade of containment already has caused many abortionists to give up.

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A charge that I favor "child-killing red-light districts" is akin to calling President Reagan a crypto-Communist because he did not nuke the Kremlin. The post-*Roe* effort should not stop at the development of laws sustainable by public opinion now, but should always push public opinion toward more protection for all unborn children.

Republican Quislings

Dear Sir:

David Kehler's article, "The Trenton Tea Party: The Story of New Jersey's Tax Revolt" (Spring 1992), is a wonderful description of the political fallout in New Jersey from the Jim Florio tax hikes. However, his conclusions about the accomplishments of the tax revolt are much too sanguine and his treatment of the Republicans much, much too kind.

Florio's 1990 tax increase was $2.8 billion, the biggest tax hike in the history of the states, until Pete Wilson was elected governor of California. Governor Florio's package included a doubling of the top marginal tax rate, a one-cent increase in the sales tax, and a variety of excise taxes. The Republicans were able to sweep the Democrats from the legislature this past fall by riding the crest of the tax revolt. During the campaign the Republicans spent most of their time blasting the Florio taxes. The message was that they would repeal *all* of Florio's taxes. Instead, once in office they declared that they would repeal only the sales tax increase, or just $600 million of the $2.8-billion increase. The income tax increases that are the most economically pernicious feature of the Florio tax plan remain intact. The bottom line, thanks to the cowardice and betrayal of the Republican legislators, is this: Florio keeps $2.2 billion of a $2.8-billion package. Meanwhile, New Jersey's budget, which has been growing under Florio faster than any Northeastern state, will continue to expand. This is victory?

The most important lesson of the New Jersey tax revolt is that politicians of either party can almost never be trusted as agents of change, particularly when that change entails cutting taxes and the size of government. The New Jersey case underscores the urgency of constitutional reforms in all the states that allow direct democracy by the citizenry. This would include initiative and referendum authority and recall of mischievous elected officials. This is the only way for taxpayers to effect real change and to rid themselves of the likes of Jim Florio and the Benedict Arnolds of the Republican Party in New Jersey.

Stephen Moore
Director of Fiscal Policy Studies
Cato Institute
Washington, DC

Politicians of either party can almost never be trusted as agents of change, particularly when that change entails cutting taxes and the size of government.
—Stephen Moore

Tax Revolt A Failure

Dear Sir:

The article by David Kehler on the New Jersey tax revolt was instructive. With all of the energy directed against the tax increase and with phenomenal electoral success, three-fourths of the tax still went into effect. In other words, the high-taxers won.

New Jersey proves several points. First, even intense anger over taxes is not enough. The tax-revolt leaders were only interested in lowering taxes and had no general vision of what they positively wanted. Anger must be directed.

Second, legislators—especially incumbent ones—are institutionally unable to lead a revolt. The Republican legislators voted against the governor's increase but they favored most of it. The teachers' lobby realized this and joined with the GOP to turn the revolt into one only against the increase in the sales tax (which had little effect on educational funding). When the Republicans came to power, they refused a Democratic proposal to repeal the full increase—losing points among the population, if not the teachers—and then only dropped the one-percent sales hike.

Third, structural reform is not sufficient either. The anti-tax leaders were satisfied with a turnover in incumbents and a promise to institute state referendum and initiative procedures. The details were left to the politicians, who will undoubtedly pass procedures that will require legislative consent, frustrating the intent of reform. Institutional reform is critical, but it cannot be left to amateurs, or legislators without adult (executive) supervision.

Fourth, since neither undirected anger nor reform from within works, the only real answer is to direct change through a movement with a vision of governmental reform—yes, based upon anger about taxes, but with a program how to reduce taxes also—led by a candidate for chief executive devoted to that vision. This is very difficult to accomplish, but conservatives did prove it can be accomplished through this route. As a recent Heritage Foundation study by Scott Hodge and Robert Rector demonstrated, federal government domestic spending (less interest and savings and loan costs) went down from 14.9 to 12.2 percent of gross domestic product under a conservative movement of reform led by Ronald Reagan.

Real reform does not come through bursts of protest. It comes only from the long, hard work of building a movement around a person of vision who has the character to carry it out. Rather than celebrate a loss in New Jersey, conservatives need to apply its true lessons.

Donald Devine
President
Donald Devine Company
Alexandria, VA

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Classical Supply

Dear Sir:

Llewellyn H. Rockwell Jr.'s essay "Morning After in America: The Austrian View of the Recession" (Spring 1992) gives the "Austrian School" far too much credit for understanding the economic developments of the past generation. He blames the current recession on a credit expansion of the 1980s when in fact the monetary disorder can be traced to the breakdown of the Bretton Woods international gold-exchange standard in 1971.

Surely Ludwig von Mises, who founded the Austrian School early in the century, would have understood the signal the dollar price of gold was flashing when it hit its peak of $850 in February 1980, having climbed from its 1944 level of $35 during the 1970s. For Rockwell's thesis to be correct, as I understand von Mises, gold would have had to peak in 1990. Rockwell's error thus absolves the policy-makers of the 1970s for any excesses and *blames* the boom of the 1980s on an allegedly inflationary Fed credit expansion that coincided with a declining price of gold! He would have us believe this was the first inflation in world history that took place while the price of gold was falling.

In fact, the only model that satisfactorily explains these economic events is the classical supply model, which understands that fiscal policy is at least as important as monetary policy. The monetary excesses of the 1970s generated an inflation that adversely affected the progressive tax system. The economy sank under this weight. President Reagan rescued it with his tax cuts, combined with more astute management of monetary policy by the Fed from 1982 to the present. Fed Chairman Greenspan should be celebrated, but Rockwell's version of an "Austrian" model requires that he blame the current recession on him. The supply model has warned since 1987 that the excessive taxation of capital would yield recession.

Rockwell also extends his narrow credit model to explain the Crash of 1929 and the Great Depression. He cites the nonsensical argument of Murray N. Rothbard that the Roaring '20s were built on an inflationary expansion of credit even though "no money printing was involved." Rothbard has argued for many decades that the boom was caused by an inflationary bubble of *private* money and credit, at the same time condemning the Fed for its flawless management of the gold standard. This is monetarist babble, as hopeless as current monetarist doctrine

that would have us believe a soaring gold price is not inflationary as long as M-1 money supply is growing slowly. In fact, *all inflations, everywhere, have been preceded by a rise in the price of gold in the local currency.*

As I demonstrated in my 1978 book *The Way the World Works*, the Crash of 1929 was caused by a *fiscal shock*, the Smoot–Hawley Tariff Act of June 1930. Until my discovery, no one in the world had ever thought it possible that the financial market of the time would react furiously to the *anticipation* of a dramatic rise in the American tax wall at its borders.

The only thing that will save the United States, the world for that matter, is a democracy that permits the wisdom of the masses to determine economic policy over the objections of the ruling establishment. Howard Jarvis was thus able to push through Proposition 13 in California in 1978, even as Keynesian economists predicted this would mean the collapse of the state economy and as monetarists and Austrians said it wouldn't much matter, because money and credit policy are determinant. In the same way, President Reagan defied the establishment, winning an election with what his critics termed "voodoo economics." Mr. Rockwell's thesis about the "excesses of the 1980s" on credit policy is only one example of many attempts by failed economic theoreticians to stake new claims for their obsolete ideas.

Jude T. Wanniski
President
Polyconomics, Inc.
Morristown, NJ

Llewellyn H. Rockwell Replies:

Mr. Wanniski disparages every school of thought but his own. At least Monetarists and Keynesians (paleo-, neo-, and post-) know the difference between fiscal and regulatory policies that harm one or another sector of the economy, and boom and bust cycles that are characterized by artificially widespread entrepreneurial success or failure.

As I argued in my original article: price increases are only the most obvious effect of credit expansion; it also distorts the relationships between today's investment and tomorrow's consumption, thus producing the business cycle. A phony gold standard that leaves Fed discretion untouched is no cure.

Members of the Austrian School do, of course, favor Proposition 13 and all other tax cuts, but tax cuts—desirable as they are—have nothing to do with the business cycle. Neither does the gold price, since we (unfortunately) do not use gold as money.

As for the "wisdom of the masses," there is reason to be suspicious of democracy as versus the republic of the Founding Fathers. During the 19th Century, America had, by modern standards, a radically restricted franchise, and also the freest economy the world has ever known. The Progressive Era gave us a much-expanded franchise, as well as central banking, inflation, the income tax, the direct election of senators, deficits, war, and a controlled economy. And the worst business cycles ever. ☎

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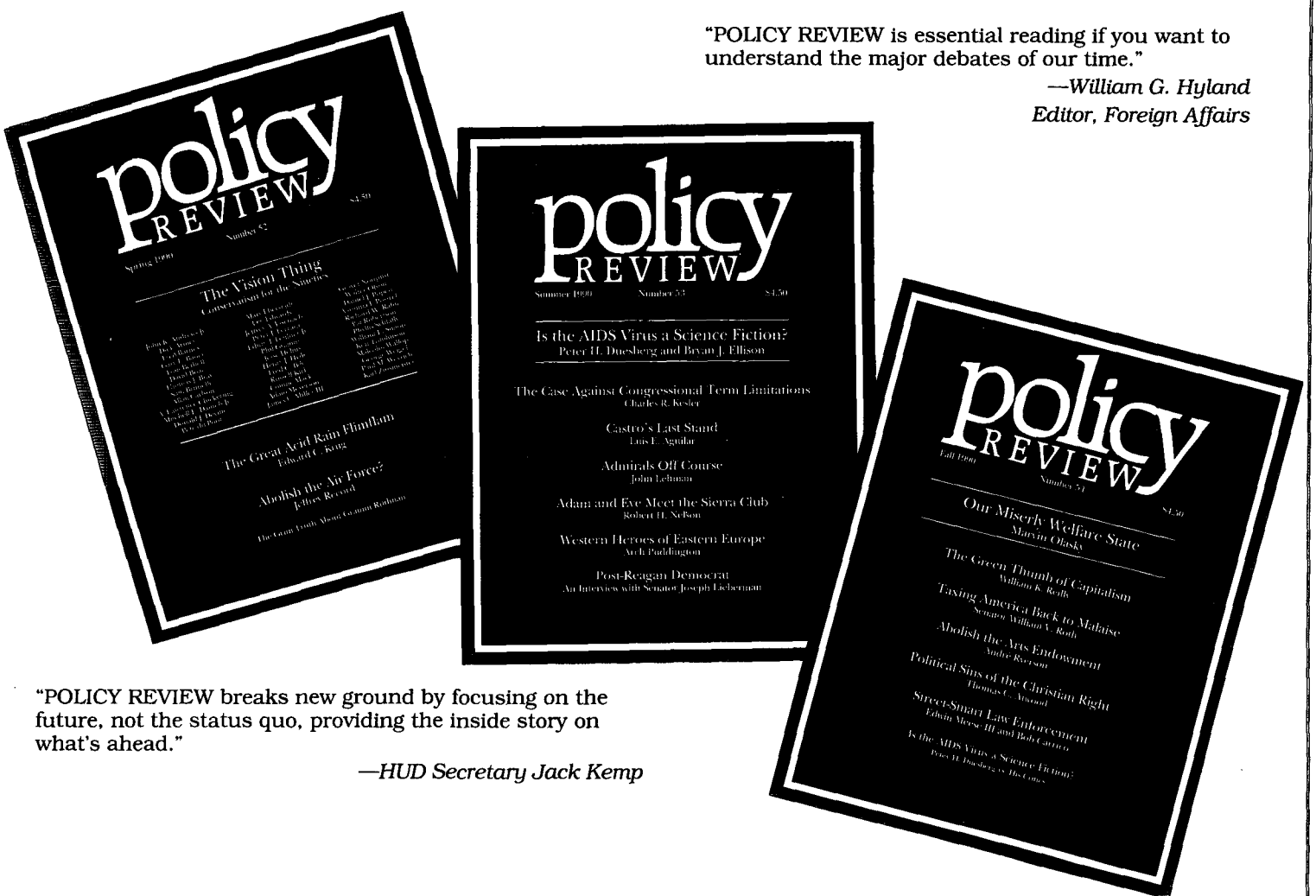

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